

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. 1 on H.B. No. 1999

The purpose of this bill is to amend existing law to conform with the efficiency standards of the American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE).

Your Committee has amended this bill by making minor, nonsubstantive revisions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1999, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1999, S.D. 1, C.D. 1.

Representatives Bainum, Nekoba and Thielen,
Managers on the part of the House.

Senators Matsunaga, Chang, Fukunaga, Levin and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 2 on S.B. No. 2288

The purpose of this bill is to exempt transitional housing for abused family or household members from the provisions of Chapter 521, Hawaii Revised Statutes, relating to the Landlord-Tenant Code.

Your Committee finds that transitional housing facilities for battered women and children provide a safe haven for victims of domestic abuse. The housing rules established by these facilities help to ensure safety for the victims by protecting them from possible contact with potential abusers. Unfortunately, when these rules are broken by the intrusion of a potential instigator of abuse, the provisions of the Landlord-Tenant Code are triggered, making it difficult to evict the offender in a timely manner. Exempting transitional facilities from the Landlord-Tenant Code will provide victims with the safety and peace of mind necessary to recover from the ordeal of abuse.

Your Committee on Conference has amended the bill by deleting the due process requirements for transitional facility program agreements and by making the bill effective upon its approval rather than July 1, 1994.

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

Representatives Chun, Isbell, Bunda, Tom and Tanimoto,
Managers on the part of the House.

Senators Baker, Tungpalan and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 3 on S.B. No. 2956

The purpose of this bill is to allow a landowner under the tree farm program to harvest trees in accordance with a management plan approved by the Department of Land and Natural Resources (DLNR).

Your Committee finds that this bill addresses the competing interests of economics for the landowners and conservation for the environmentalists. Landowners look to adequate future compensation as recoupment for the many years spent in cultivating trees to maturity. Conservationists look to the effect that certain trees have upon the environment, particularly as to natural habitat for endangered species, native forests, and nonpoint source pollution (erosion which increases sediment runoff into streams and coastal waters).

Your Committee recognizes that the downsizing of Hawaii's sugar industry makes a commercial forest industry economically attractive as well as feasible, provided there is an appropriate regulatory climate at the state and local levels. Landowners should have incentives to grow trees commercially; however, under present law, a landowner's right to harvest trees is unclear since the repeal of Section 186-10, Hawaii Revised Statutes, relating to the harvesting of trees on tree farm property. This bill restores a measure of certainty for the landowner while attempting as much as possible to satisfy conservation concerns.

This bill is an effort to satisfy the conservation and environmental issues to the extent possible by statute. It is the intent of your Committee that the management plan of the DLNR provide for adequate environmental and conservation protection and that the DLNR procure more public input into the rule making process to reach a consensus among all concerned parties.

Your Committee has amended this bill by deleting reference to the environment in SECTION 1. Your Committee believes that safeguards for the environment are already established in existing statutes and rules, and inclusion of the term in this bill may create unnecessary confusion which could inhibit the ability to attract private landowners and investors.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2956, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2956, S.D. 1, H.D. 3, C.D. 1.

Representatives M. Ige, Bainum, Tom, Chumbley and Marumoto,
Managers on the part of the House.

Senators Iwase, Hagino, Kanno, Ikeda, McCartney and George,
Managers on the part of the Senate.

Conf. Com. Rep. 4 on S.B. No. 3322

The purpose of this bill is to ensure that no local air carrier is denied the privilege of offering consumers interisland service solely on the basis of a technicality.

Specifically, the bill provides that any air carrier that, prior to enactment of federal legislation relating to intrastate turnaround air service in Hawaii, had applied to the United States Department of Transportation for authority to provide intrastate turnaround flights and been issued a certificate of public convenience and necessity, will be automatically certified under Hawaii's new regulatory laws. However, the carrier must have been clear of any FAA violation during the period in which the certificate of public convenience and necessity was pending.

In 1993 the Legislature enacted Chapter 261C, Hawaii Revised Statutes, providing for regulation of Hawaii air carriers upon enactment of enabling federal legislation. Section 261C-20(a) of that Chapter provides that when regulation commences, Hawaii certification will be granted to any air carrier currently providing intrastate turnaround air service under authority granted by the U.S. Department of Transportation. Thus, Aloha and Hawaiian Airlines will be automatically certified pursuant to Chapter 261C, but Mahalo Airlines, which has filed applications with the federal government but had not yet been federally certified, will be excluded. This bill will enable Mahalo Airlines to obtain Hawaii certification if it meets the above criteria.

Your Committee has amended this bill by deleting the language that conditions Hawaii certification upon prior receipt of a federal certificate of public convenience and necessity and a clean record with the FAA, in effect restoring the substantive position articulated in the S.D. 1 version. Your Committee finds that as amended, this bill will appropriately ensure the viability of Mahalo Airlines under Hawaii law and any federal measures that may be enacted.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3322, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3322, S.D. 1, H.D. 2, C.D. 1.

Representatives Oshiro, Bunda, Ishii-Morikami, Nakasone and Ward,
Managers on the part of the House.

Senators Fernandes-Salling, Tanaka, Baker and George,
Managers on the part of the Senate.

Conf. Com. Rep. 5 on H.B. No. 2235

The purpose this bill is to provide the same tax treatment for state-chartered credit unions as is given to federal credit unions.

Your Committee has made a nonsubstantive amendment to correct a technical drafting error.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2235, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2235, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Santiago, Suzuki, Tam and Marumoto,
Managers on the part of the House.

Senators Ikeda, Hagino, Holt, Iwase and George,
Managers on the part of the Senate.

Conf. Com. Rep. 6 on S.B. No. 2402

The purpose of this bill is to clarify the authority of the director of transportation and the counties to allow the stopping, standing, or parking of motor vehicles at a "T-shaped" intersection on highways under their respective jurisdictions.

Your Committee believes that there is a serious shortage of parking in certain congested areas in the State, and that this bill is necessary to alleviate this shortage by allowing for the creation of additional parking at "T-shaped" intersections.

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

- (1) Substituting the most recent version of section 291C-111(a), Hawaii Revised Statutes, for the version of that section contained in the bill. That section was last amended by Act 214, Session Laws of Hawaii 1993, effective July 1, 1994, which decriminalized all but the most serious traffic offenses by making violators subject only to civil penalties, and made conforming amendments to section 291C-111 consistent with the intent of that Act;
- (2) Changing the effective date from "upon approval" to "July 1, 1994", consistent with the effective date of the amendments made to section 291C-111 by Act 214;
- (3) Substituting the word "prohibiting" for "preempting" in the first sentence of the new language added to section 291C-111(a); and
- (4) Making technical, nonsubstantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2402, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2402, H.D. 1, C.D. 1.

Representatives Oshiro, Taniguchi, Nakasone, Shon and Ward,
Managers on the part of the House.

Senators Chang, Fernandes-Salling, Tanaka and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 7 on S.B. No. 2605

The purpose of this bill is to provide clarification with regard to housing agreements during periods of disaster relief and rehabilitation.

Specifically, the bill protects a tenant from being indiscriminately evicted after a natural disaster occurs unless:

- (1) The owner serves the tenant with a written notice at least forty-five days in advance;
- (2) The owner is selling the property;
- (3) The owner or a member of the owner's immediate family will occupy the dwelling; or
- (4) The dwelling requires repair in order to restore it to habitable standards.

Your Committee finds that the bill protects tenants from being evicted at a time when they can least afford to be dislocated from shelter, while still maintaining the basic property rights of real property owners.

Your Committee has amended the bill by:

- (1) Moving the definition of "unfit for occupancy" from section 209-1, Hawaii Revised Statutes, to section 209-9(a), Hawaii Revised Statutes;
- (2) Adding the definitions of "breach of material term," "fixed term lease," and "periodic tenancy" to section 209-9(a), Hawaii Revised Statutes; and
- (3) Making nonsubstantive, stylistic changes for the purpose of clarity.

During the course of its deliberations, your Committee noted concerns over the possible ramifications of defining terms such as "breach of material term," "fixed term lease," "periodic tenancy," and "unfit for occupancy" in Chapter 209, Hawaii Revised Statutes, in that these definitions may be superfluous. However, it is your Committee's intent that the terms defined in the bill were done so solely for the purpose of providing clarity. Your Committee believes that in a state of emergency, emphasis should not be on the discussion of the definition of certain terms, but on the provision of relief activities.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2605, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2605, S.D. 1, H.D. 1, C.D. 1.

Representatives Bunda, Cachola, Herkes, Ishii-Morikawa and Thielen,
Managers on the part of the House.

Senators Baker, Tungpalan and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 8 on H.B. No. 1046

The purpose of this bill is to:

- (1) Require the Office of Tourism to annually prepare and update a tourism marketing plan for the subsequent 5-year period, instead of the previous 2-year plan;

- (2) Require the office to submit the updated plan to the legislature prior to the convening of each regular session, rather than with the executive budget request; and
- (3) Require submittal of marketing plans by destination organizations receiving state funding and departmentally initiated programs to the office to allow coordination of all the marketing plans with the office's tourism marketing plan.

Your Committee finds that most private organizations make 5-year marketing plans, and that the short two-year term of the state's marketing plan causes considerable difficulty in soliciting matching funds for cooperative campaigns. The 1993 Tourism Congress emphasized that the need for a longer term for marketing plans ranked in a tie for the highest priority.

An annually updated marketing plan for the subsequent five years would give visitor industry companies and other organizations an indication of state intent over a period consistent with their planning term and would enable them to coordinate their own marketing efforts with those of the state, giving more effective use of limited promotion funds.

Your Committee revised the bill by:

- (1) Removing the reference to exceeding the duration of the biennium in Section 203-5(a)(3); and
- (2) Making technical, non-substantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1046, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1046, S.D. 1, C.D. 1.

Representatives Cachola, Chang, Lee, Stegmaier and Marumoto,
Managers on the part of the House.

Senators Tanaka, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 9 on H.B. No. 3198

The purpose of this bill, as received by your Committee on Conference, is to repeal two University of Hawaii (UH) athletics revolving funds and to authorize the UH to establish fees and charges for its athletic programs and use of athletic facilities.

The funds to be repealed are the University of Hawaii at Manoa Intercollegiate Athletics Revolving Fund and the University of Hawaii at Hilo Intercollegiate Athletics Revolving Fund, both of which are scheduled for Auditor review by June 30, 1995.

In place of these funds, this bill provides that the UH may establish fees and charges for activities related to its athletic programs and use of its athletic facilities. The moneys will be deposited into the State's general fund, and expenditures for intercollegiate programs at the UH will be appropriated from the general fund by the Legislature.

Your Committee on Conference has amended this bill by:

- (1) Repealing Section 41 of Act 280, Session Laws of Hawaii 1993, in SECTION 1 of this bill;
- (2) Amending Section 64 of Act 280, Session Laws of Hawaii 1993, in SECTION 2 of this bill to delete all references to section 41;
- (3) Deleting subsection 3 of SECTION 2 of this bill to provide for the transfer of credit to the state general fund by June 30, 1996, for all unexpended or unencumbered balances remaining in any fund scheduled for repeal on June 30, 1996, Act 280; and
- (4) Making technical and nonsubstantive changes for purposes of consistency, style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3198, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3198, H.D. 1, S.D. 1, C.D. 1.

Representatives Lee, Say, Chang, M. Ige, Taniguchi and Tanimoto,
Managers on the part of the House.

Senators Ikeda, Kanno, Solomon, Tungpalan and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 10 on H.B. No. 3447

The purpose of this bill is to provide fiscal flexibility to the University of Hawaii (UH) by allowing UH to retain, until June 30 of the following fiscal year, not more than five percent of any appropriations of general funds for operating purposes at the close of each fiscal year.

After further discussion, your Committee on Conference has amended this measure as follows:

- (1) Stated that Sections 1, 2, and 3 shall be repealed two years after the approval of this Act, instead of one year; and
- (2) Made technical, nonsubstantive revisions for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3447, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3447, H.D. 1, S.D. 1, C.D. 1.

Representatives Lee, D. Ige, Say, Chumbley and Marumoto,
Managers on the part of the House.

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

Conf. Com. Rep. 11 on H.B. No. 2294

The purposes of this bill are to:

- (1) Conform with the original intent of Section 46-1.5, Hawaii Revised Statutes, by making technical amendments to that section; and
- (2) Provide each county with the authority to abate public nuisances.

Currently, the counties have the authority to enact and enforce ordinances to prevent or summarily remove nuisances and to compel the clearing of refuse and uncultivated growth. This measure clarifies the authority of the counties by providing each county with the authority to remove public nuisances, which includes, but is not limited, to the placement of structures, stalls, stands, furniture, and containers on streets, sidewalks, and public places.

Your Committee on Conference has amended this bill by:

- (1) Deleting the reference that counties have the "inherent" power to abate nuisances;
- (2) Deleting authority by the counties to remove "private" nuisances;
- (3) Making changes to reflect the expanded powers of the counties to remove public nuisances; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, style, and conformity with drafting conventions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2294, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2294, S.D. 2, C.D. 1.

Representatives Taniguchi, Tom, Nakasone, Takumi and Ward,
Managers on the part of the House.

Senators Grauly, Baker, Chang, Iwase, A. Kobayashi and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 12 on H.B. No. 2197

The purpose of this bill is to require proof of no-fault insurance and a motor vehicle registration by the owner of a vehicle prior to shipment of that vehicle from one county to another county in the state.

Upon further consideration, your Committee has amended the bill to impose a penalty of not more than \$100 on any owner who violates the provisions of this bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2197, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2197, H.D. 2, S.D. 2, C.D. 1.

Representatives Nakasone, Taniguchi, Bunda, Hagino, Suzuki and Ward,
Managers on the part of the House.

Senators Grauly, Fernandes-Salling and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 13 on H.B. No. 2909

The purpose of this bill is to regulate "going out of business" sales. Specifically, this bill requires posting of notice if the person holding the sale has:

- (1) Inventory which includes one hundred or more items each costing \$100 or more; and
- (2) Placed advertising having a list or fair market value of \$10,000 or more.

This bill also provides for civil fines from \$500 to \$10,000 for each violation.

Your Committee on Conference finds that some "going out of business" sales fraudulently give the impression that a merchant is making a sale under distress, but are, in fact, selling the merchandise at highly marked-up "discounts." This bill will require those who hold such sales to conspicuously post signs outside their place of business which provide prospective customers with complete and truthful information regarding the circumstances of the sale, including conditions or events which motivate the event.

However, your Committee on Conference believes that rigidly requiring a business to post notice outside the place of business is not the most effective way to provide notice to customers who are examining merchandise inside the premises.

Accordingly, this bill has been amended to retain the notice requirement as found in H.B. No. 2909, H.D. 2. This provision requires the notice to be visible and readable from outside the place of business, but does not mandate that the notice actually be outside the place of business.

Further, your Committee on Conference believes that regulating such sales is an effective means of addressing consumer and merchant concerns. However, due to the transitory nature of the problem, your Committee on Conference believes that this law will need to be revisited to address changing conditions. Therefore, this bill has also been amended to repeal this Chapter three years from the date of its approval.

Additionally, technical, non-substantive amendments have been made for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2909, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2909, H.D. 2, S.D. 1, C.D. 1.

Representatives Stegmaier, Bunda, Tom, D. Ige and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 14 on H.B. No. 2641

The purpose of this bill is to amend the statutes relating to air pollution, by:

- (1) Adding a Part to Chapter 321, Hawaii Revised Statutes (HRS), to establish an Indoor Air Quality Program;
- (2) Revising Sections 24 and 25 of Chapter 342B, HRS, to provide for the issuance of environmental permit shields by the Department;
- (3) Revising Section 342B-33, HRS, relating to certification and annual emissions of hazardous air pollutants; and
- (4) Revising Section 342B-48, HRS, relating to administrative penalties.

Your Committee has amended the bill by:

- (1) Deleting the language on page 1, line 1, through page 10, line 2, relating to indoor air quality and environmental permit shields;
- (2) Inserting the language from S.B. No. 2179, S.D. 1, H.D. 1, relating to environmental permit shields; and
- (3) Changing the language relating to economic benefits on page 10, lines 23-24, to read: "(2) The economic benefit to the violator, or anticipated by the violator, resulting from the violations;"

Your Committee believes that the Director of Health should take into consideration the profitability of violating an air pollution law by the violator when imposing a penalty. However, it is not your Committee's intent that this economic benefit consideration act as a mitigating factor in lowering a penalty for a violation if no economic benefit results from the violation.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2641, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2641, S.D. 1, C.D. 1.

Representatives Bainum, Tom, Say, Hiraki and Thielen,
Managers on the part of the House.

Senators Chang, Fukunaga and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 15 on H.B. No. 2642

The purpose of this bill is to allow the Director of Health to:

- (1) Consider the following when imposing an administrative penalty for violation of Chapter 342D, Hawaii Revised Statutes:
 - (A) The economic benefit, if any, resulting from a water pollution violation;
 - (B) Good faith efforts of the violator to comply with water pollution laws in imposing an administrative penalty for violation of Chapter 342D, Hawaii Revised Statutes; and
 - (C) Other circumstances that may apply to the violation; and
- (2) Consider the public interest, as defined under federal regulations, with respect to the issuance, revocation, or reissuance of permits.

Your Committee believes that the Director of Health should take into consideration the profitability of violating an air pollution law by the violator when imposing a penalty. However, it is not your Committee's intent that this economic benefit consideration act as a mitigating factor in lowering a penalty for a violation if no economic benefit results from the violation.

Your Committee has amended this bill by:

- (1) Deleting Section 2 of the bill (page 1, line 11, through page 4, line 5) relating to permit issuance, revocation, and reissuance;
- (2) Changing the language relating to economic benefits in item (b)(2) of section 342D-31 as set forth in Section 2 of this bill to read, "The economic benefit to the violator, or anticipated by the violator, resulting from the violations;" and
- (3) Making technical, nonsubstantive changes for purposes of style, consistency, and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2642, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2642, S.D. 1, C.D. 1.

Representatives Bainum, Tom. Herkes, Hiraki and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 16 on H.B. No. 3255

The purpose of this bill is to facilitate the construction and operation of solar electric vehicles in the State. Presently, certain solar electric vehicles are classified as motorcycles and such come under the appropriate statutory regulations. This bill will:

- (1) Exempt operators or passengers of vehicles that have a full-body enclosed cab, a seat belt assembly, and a child restraint system from the safety helmet requirements;
- (2) Allow these vehicles to carry passengers under seven years of age provided the vehicle has the aforementioned safety systems; and
- (3) Exempt motorcycles or mopeds powered by electric motors from the requirement of using a muffler.

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

- (1) Adding a purpose and intent section;
- (2) Adding a provision which makes this Act effective upon the publication of a notice of regulatory compliance that the manufacturer of the solar electric motor vehicle has submitted proof to the Director of Transportation that the vehicle meets all applicable Federal standards, regulations, and exemptions;
- (3) Adding a provision which would repeal this Act if the notice of regulatory compliance is not published by June 30, 1995; and
- (4) Making various technical, nonsubstantive amendments for the purpose of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3255, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3255, H.D. 2, S.D. 1, C.D. 1.

Representatives Oshiro, Tom, Nakasone, Suzuki and Ward,
Managers on the part of the House.

Senators Fernandes-Salling, Baker, Matsunaga, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 17 on H.B. No. 2491

The purpose of this bill is to clarify statutory provisions relating to the authority to prescribe drugs and contents of prescriptions.

Current law does not require prescribing physicians to adhere to the requirements of a valid prescription, placing responsibility for the correctness of a prescription solely on the pharmacist.

However, it was felt by your Committee that both physicians and pharmacists should share in the responsibility of the correctness of a prescription.

Therefore, your Committee on Conference has amended this bill by:

- (1) Amending the definition of "practitioner" to mean an individual who is licensed by the State, rather than permitted by law, to prescribe prescription drugs within the scope of the person's practice;
- (2) Adding existing statutory language which originally appeared in the House draft of the bill but had been inadvertently removed in the Senate draft of the bill. This language stipulates that the practitioner must promptly record information regarding the prescription in the practitioner's records before a prescription may be dispensed; and
- (3) Making other technical, nonsubstantive amendments for purposes of clarity, consistency and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2491, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2491, H.D. 2, S.D. 1, C.D. 1.

Representatives Duldulao, Bunda and Tanimoto,
Managers on the part of the House.

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

Conf. Com. Rep. 18 on H.B. No. 2640

The purpose of this bill is to enable the State to better monitor the activities of hazardous waste brokers.

Specifically, the bill:

- (1) Defines "hazardous waste brokers";
- (2) Requires these brokers to obtain an identification number from the Department of Health (DOH); and
- (3) Further requires these brokers to file a notification with the DOH that includes, among other things, the location and general description of the hazardous waste handling activity, as well as a notarized written statement approving the activity of the broker.

Your Committee on Conference has revised this bill to clarify the definition of hazardous waste broker in addition to some other changes. Specifically, this bill was amended by:

- (1) Replacing the word "occurred" on page 3, line 6, with the word "changed";
- (2) Changing "Section 342J-2" on page 4, line 1, to "Section 342J- ";
- (3) Inserting the word "and" at the end of item (1)(C) of Section 342J- as set forth in SECTION 3 of this bill which defines a "hazardous waste broker";
- (4) Adding item (2)(E) to Section 342J- as set forth in SECTION 3 of this bill which defines a "hazardous waste broker"; and
- (5) Making technical, nonsubstantive changes for purposes of style, consistency, and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2640, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2640, H.D. 2, S.D. 1, C.D. 1.

Representatives Bainum, Bunda, Nekoba, Oshiro and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 19 on H.B. No. 3170

The purpose of this bill is to lengthen the time which the Department of Land and Natural Resources has to hold a hearing when the owner of an impounded vessel contests the basis for such impoundment, and to specify actions which may be taken when an impounded vessel remains unclaimed.

Your Committee on Conference finds that extending the time for an administrative hearing on a vessel impoundment from seventy-two hours to five working days is necessary to allow all parties adequate preparation time. Your Committee also finds that the provisions of the bill pertaining to the disposition of unclaimed vessels will allow for the disposal of vessels which do not fall within current statutory definitions of "abandoned" or "derelict" vessels.

Your Committee has amended this bill by adding that the arbitration board shall be composed of three inspectors and that the inspector who performed the original inspection shall not be a member of the arbitration board.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3170, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3170, H.D. 2, S.D. 1, C.D. 1.

Representatives Hiraki, Tom, Apo, Beirne and Thielen,
Managers on the part of the House.

Senators Iwase, Holt, Kanno, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 20 on H.B. No. 2913

The purpose of this bill is to streamline the permitting process for housing project developments. The bill provides that where a housing development permit request requires the amendment of a county community or development plan or a county zoning map, the processing of these requests for amendments shall be done concurrently upon the request of the applicant.

In addition, the bill requires these plan and zoning map amendment requests to be processed concurrently with any State Land Use Commission redesignation request that affects the permitting of the project.

Your Committee on Conference agrees that concurrent processing of amendment requests would facilitate the rate of construction of new domiciles and contribute to the lowering of the total cost of the project.

Your Committee on Conference particularly supports concurrent processing for projects which have an affordable housing component and encourages the counties to include an affordable housing requirement in projects which are concurrently processed.

It is your Committee on Conference's intent that this bill apply to all amendment requests which meet state and county requirements, and that the counties be given discretion to reject applications for amendments to county community or development plans or a county zoning map.

Accordingly, this bill has been amended to make concurrent processing applicable to the counties only when the requests are accepted by the counties.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2913, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2913, H.D. 3, S.D. 1, C.D. 1.

Representatives Takumi, Isbell, Takamine, Taniguchi and Tanimoto,
Managers on the part of the House.

Senators Iwase, Baker, Holt, Kanno and George,
Managers on the part of the Senate.

Conf. Com. Rep. 21 on H.B. No. 3491

The purpose of this bill is to exempt persons, who otherwise would be subject to the requirement of providing proof of financial responsibility, from providing such proof for that offense.

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

- (1) Retaining the provision regarding the financial responsibility requirement for a drivers license which has been revoked pursuant to part XIV of chapter 286;
- (2) Deleting the proposed amendment to Section 287-20(b); and

- (3) Various technical and non-substantive changes for the purpose of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3491, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3491, H.D. 2, S.D. 2, C.D. 1.

Representatives Oshiro, Tom. Hiraki, Nakasone and Thielen,
Managers on the part of the House.

Senators Grauly, Baker, Fernandes-Salling and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 22 on H.B. No. 2238

The purpose of this bill is to clarify the definition of "naturopathy" and the definition of "natural medicine" so as to better protect those consumers who are treated by naturopathic practitioners.

This bill clarifies the definition of naturopathy as including practices of the type included in the education and training of naturopathic practitioners at naturopathic medical colleges.

Furthermore, this bill clarifies that natural medicine also include improved substances whose natural molecular structure has not been substantially altered.

Your Committee has amended the bill as follows:

- (1) By clarifying that natural medicine also exclude the use of prescription drugs, except for vitamins, minerals, amino acids, and fatty acids; and
- (2) Making technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2238, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2238, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Ishii-Morikami and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 23 on H. B. No. 3303

The purpose of this bill is to establish a legal remedy for consumers of used vehicles which are "lemons" similar to that provided under Hawaii's "lemon law" for new vehicles. This measure is to protect consumers by providing written warranties covering specified parts in used vehicles.

This bill requires that dealers give consumers a written warranty for major mechanical parts of a used vehicle with the duration of such warranty being dependent upon the mileage of the vehicle. If a vehicle under such warranty is or becomes defective within the duration of the warranty, the dealer must repair the vehicle and if the dealer has failed to correct the defect within a reasonable period of time, the dealer must either refund the consumer's money or replace the vehicle.

This bill further sets out specific requirements for a disclaimer by the dealer for those vehicles which fall within exemptions under this chapter. This bill requires that dealers disclose known damages or defects in the used motor vehicle and provides for civil and administrative remedies.

Your Committee on Conference notes that this measure provides much needed protection for consumers who purchase used cars which turn out to be defective upon or soon after purchase.

Your Committee on Conference has amended this bill by:

- (1) Inserting a provision excluding four-wheel drive vehicles from warranty coverage of transmission parts as set forth in lines 20 through 22 of page 3 of SECTION 1 of this bill;
- (2) Inserting a provision excluding four-wheel drive vehicles from warranty coverage of drive axle parts as set forth in lines 2 through 4 of page 4 of SECTION 1 of this bill;
- (3) Inserting an exemption from warranty coverage in lines 9 through 15 on page 10 of SECTION 1 of this bill with regard to "vehicles which are inoperable and a total loss" and defining the "total loss" of a vehicle as a vehicle with "material damage to the vehicle's frame, unitized structure, or suspension system, and the projected cost of repairing the damage exceeds the market value of the vehicle at the time of incident causing it to be declared a total loss"; and

- (4) Making technical, nonsubstantive changes for purposes of style, consistency, and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3303, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3303, H.D. 1, S.D. 2, C.D. 1.

Representatives Bunda, Tom, Peters, Takamine and Thielen,
Managers on the part of the House.

Senators Gaulty, Holt, Iwase and Levin,
Managers on the part of the Senate.

Conf. Com. Rep. 24 on H.B. No. 1590

The purpose of this bill is to amend Section 76-47, Hawaii Revised Statutes (HRS), to provide that:

- (1) The Attorney General shall be counsel for the Civil Service Commission of the City and County of Honolulu during an appeal hearing before the Civil Service Commission of the City and County of Honolulu;
- (2) The County Attorney or Corporation Counsel, including the Corporation Counsel for the City and County of Honolulu, shall be counsel for the State Civil Service Commission during an appeal hearing before the State Civil Service Commission when the appeal hearing is being conducted in the City and County of Honolulu;
- (3) When the decision and order of any County Civil Service Commission is appealed under Chapter 91, HRS, the Attorney General shall be counsel for the commission and the County Attorney or the Corporation Counsel shall be counsel for the appointing authority; and
- (4) When the decision and order of the State Civil Service Commission is appealed under Chapter 91, HRS, the Attorney General shall be counsel for the appointing authority and the County Attorney or Corporation Counsel shall be counsel for the State Civil Service Commission.

Your Committee on Conference finds that this bill will eliminate the appearance of impropriety that exists when the Attorney General and the County Attorney or Corporation Counsel represent both the appointing authority and their respective Civil Service Commissions during appeal hearings.

Your Committee on Conference has also made technical amendments to this bill for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1590, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1590, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, White and Thielen,
Managers on the part of the House.

Senators Gaulty, Baker, Levin, Matsunaga and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 25 on H.B. No. 2219

The purpose of this bill is to provide for the prompt reporting and dissemination of missing children reports.

Your Committee has amended the bill by deleting the provision that required uniform missing child report forms statewide. Since the bill specifies that all state law enforcement agencies must comply with the requirements of the National Crime Information Center, the information provided should be uniform.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2219, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2219, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Amaral and Thielen,
Managers on the part of the House.

Senators Gaulty, Baker, A. Kobayashi, Levin and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 26 on H.B. No. 2220

The purpose of the bill is to make the necessary changes to our custodial interference law to allow local law enforcement agencies to obtain the assistance and cooperation of federal law enforcement agencies in the location and return of missing children to their custodial parents.

Your Committee on Conference finds that the current law does not contain the penalties and language necessary to trigger the assistance of federal authorities, and that there is a need to strengthen our existing penal statutes in this area.

Accordingly, your Committee on Conference has amended the measure by eliminating the use of the term "non-custodial relative", as it may lead to an unfair application of the law, and for clarity has substituted the word "child" for "minor" when speaking of a person less than eleven years old. Your Committee on Conference has also made technical, non-substantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2220, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2220, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Amaral and Thielen,
Managers on the part of the House.

Senators Grauly, Baker, A. Kobayashi, Levin and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 27 on H.B. No. 2725

The purposes of this bill are to:

- (1) Codify due process requirements in regard to forfeiture pursuant to United States v. Good by:
 - (a) Allowing real property subject to forfeiture to be seized only pursuant to a court order issued after a pre-seizure hearing; and
 - (b) Requiring that owners and interest-holders in the property subject to forfeiture be notified of the pre-seizure hearing;
- (2) Specify when the State may commence a forfeiture proceeding;
- (3) Clarify how the thirty-day time period for filing a petition for remission or mitigation of forfeiture is computed; and
- (4) Specify that all petitions for remission or mitigation shall be signed by the petitioner and sworn on oath before a notary public.

Your Committee on Conference recognizes the importance of complying with federal case law pertaining to due process, and of ensuring that the statutes are as clear as possible on the circumstances and procedures surrounding forfeiture.

Your Committee on Conference has made a technical change on page 3, line 12 of this bill for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2725, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2725, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Amaral and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 28 on H.B. No. 2975

The purpose of this bill is to:

- (1) Allow a family court officer or a state or federal criminal justice agency access to adult probation records under specified circumstances; and
- (2) Allow a treatment practitioner who is treating the defendant pursuant to court order access to a copy of the presentence report or investigative report.

Your Committee on Conference has amended the bill by changing the effective date from July 1, 1994, to the date of its approval.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2975, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2975, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Herkes, Hirono, White and Thielen,
Managers on the part of the House.

Senators Grauly, Baker, A. Kobayashi, Matsunaga and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 29 on H.B. No. 2981

The purpose of this bill is to authorize district court judges to set or adjust bail for those who have been charged with a class A felony.

Your Committee on Conference has amended the bill by changing the effective date from July 1, 1994, to the date of its approval.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2981, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2981, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Amaral, Oshiro, White and Thielen,
Managers on the part of the House.

Senators Grauly, Iwase, Levin, Matsunaga and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 30 on H.B. No. 3133

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

Your Committee has amended this bill by:

- (1) Adding the following claims as advised in a memorandum dated April 22, 1994, from the Department of the Attorney General and addressed to your Committee on Conference:

(a)	Claim of Shereen Balles	\$
	68,500.00	Settlement
(b)	Joseph Kailiwai v. Kalaupapa Settlement, et al.	\$ 25,000.00
	Civil No. 93-0512(1), Second Circuit	Settlement
(c)	Bruce Lagareta v. Department of Land and Natural Resources	\$125,000.00
	Civil No. 93-2704-07, First Circuit	Settlement
(d)	Claim of Wanda Lehano	\$ 250.00
(e)	Jocelyn C. Maximo, et al. v. State of Hawaii, et al.	\$470,000.00
	Civil No. 92-1017-03, First Circuit	Settlement
(f)	James McHugh v. Torben Neilsen, et al.	\$ 20,773.95
	No. C 92 5080 BAC-ARB U.S.D.C. N.D. Cal	Settlement
	Amount of Settlement:	\$ 20,000.00
	Interest at 3.54% from 7/13/93:	\$ 773.95
(g)	R.M. Builders, Inc. v. FHB Inc., et al.	\$ 21,701.84
	Arb. No. 78-110-0075-92	Settlement
	Amount of Settlement:	\$ 16,500.00
	Interest at 5% from 5/19/93:	\$ 5,201.84
(h)	Lynn Shaffer, et al. v. John Waihee, et al.	\$ 30,000.00
	Civil No. 90-00745 ACK-BMK, U.S.D.C.	Settlement
(i)	Daniel K. Tote v. State of Hawaii	\$125,000.00
	Civil Nos. 91-3922; 92-0162, First Circuit	Settlement

- (2) Amending the claim of Yoshiko Uemura to read:

Estate of Yoshiko Uemura	\$ 35.00
and	

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3133, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3133, H.D. 2, S.D. 1, C.D. 1.

Representatives Tom, Say and Ward,
Managers on the part of the House.

Senators Ikeda, Grauly, Iwase, A. Kobayashi and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 31 on H.B. No. 3137

The purposes of this bill are to:

- (1) Establish the Office of Child Support Hearings within the Department of the Attorney General;
- (2) Specify the duties of that Office;
- (3) Grant hearings officers within the Office of Child Support Hearings immunity from liability while acting in their official capacity;
- (4) Define the parties to an administrative hearing and clarify that all parties are entitled to due process and equal protection in the administrative process; and
- (5) Make other clarifying amendments with respect to the duties of the Child Support Enforcement Agency and the Office of Child Support Hearings.

Your Committee on Conference finds that this bill will reflect the internal reorganization of the Child Support Enforcement Agency and clarify that the Office of Child Support Hearings shall have concurrent jurisdiction with the court in all proceedings involving child support obligations.

Your Committee on Conference has made amendments to sections 576E-4 and 576E-6 to clarify the requirements for service of notice of hearing.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3137, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3137, S.D. 1, C.D. 1.

Representatives Tom, Amaral, Menor, White and Thielen,
Managers on the part of the House.

Senators Grauly, Baker, A. Kobayashi, Levin and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 32 on H.B. No. 3201

The purpose of the bill is to lengthen the cycle in which voters who fail to vote are removed from the voters list, and to permit the county clerks to transfer voters' registrations to new precincts upon receipt of change of address notifications or other form or means approved by the chief election officer.

Your Committee on Conference finds that this measure will bring Hawaii into compliance with certain provisions of the National Voter Registration Act of 1993.

Your Committee on Conference amended the bill at page 1, beginning at line 6, to clarify that a voter's name is to be removed only if the voter did not vote at all in a number of consecutive elections.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3201, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3201, S.D. 1, C.D. 1.

Representatives Tom, Herkes, White and Thielen,
Managers on the part of the House.

Senators Grauly, Baker, Iwase, Levin and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 33 on H.B. No. 2461

The purpose of this bill is to authorize title insurers or underwritten title companies to execute the release of real property or fixture mortgages on behalf of the mortgagee or record assignee, provided, inter alia, that:

- (1) An affidavit, such as a cancelled check or written confirmation from the mortgagee, that reasonably establishes that the mortgage debt has been discharged and the mortgage has been fully satisfied without limitation, is attached to the release;
- (2) The release is executed by an officer of the title insurer or underwritten title company; and

- (3) The title insurer or underwritten title company releasing the mortgage is liable to the mortgagee for treble damages and reasonable attorneys's fees and costs under certain circumstances of gross neglect and bad faith.

After careful consideration, your Committee on Conference has amended this bill by making technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2461, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2461, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Herkes and Thielen,
Managers on the part of the House.

Senators Grauly, Holt, Iwase, Levin and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 34 on H.B. No. 2599

The purpose of this bill is to:

- (1) Authorize the Public Utilities Commission (PUC) to determine amounts generated by the local exchange service provider, other than basic residential service, which are used to subsidize such service in the area on a per customer basis;
- (2) Require that the local exchange service provider transfer the subsidy amount to the alternative telecommunications provider on a per customer basis for each customer receiving basic residential service from the alternative provider;
- (3) Condition the receipt of such subsidy amounts from the local exchange service provider upon the alternative telecommunications provider's obtaining basic residential service subsidies, to the extent possible, from both the local exchange service provider and national universal service providers; and
- (4) Require the existing telecommunications provider to show cause to the PUC as to why the PUC should not grant a license to an alternative provider upon a determination that any area of the State has less than adequate telecommunications service.

Upon consideration of this measure, your Committee on Conference believes that the PUC should be given discretion in determining whether it is appropriate to transfer subsidies, if any, collected to subsidize basic residential service to alternative service providers.

Accordingly, your Committee on Conference has amended this measure by changing the language mandating the transfer of the subsidy amounts generated by the local exchange service provider, other than for the provider's basic residential telephone service. This measure has also been amended with respect to the mandated transfer by the PUC of subsidies other than for basic residential telephone service to the alternative provider.

This bill now provides that the PUC may consider transferring such subsidies to the alternative provider in its discretion.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2599, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2599, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Herkes, Ishii-Morikami, Peters and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 35 on H.B. No. 3209

The purpose of this bill is to:

- (1) Amend the repeal date relating to the Board of Dental Examiners from December 31, 1997, to June 30, 1994;
- (2) Extend the regulation of dental hygienists from December 31, 1994 until December 31, 2004;
- (3) Delete the requirement that dental hygienists furnish the Board of Dental Examiners with their place of employment and name of employer;
- (4) Specify that a licensed dental hygienist must provide proof to the Board of Examiners that the hygienist is certified to administer local anesthesia; and

- (5) Require the Auditor to study the feasibility of establishing a separate board for dental hygiene and submit to the Legislature a report of findings and recommendations, including appropriate legislation, if any, prior to the convening of the 1995 Regular Session.

Your Committee on Conference finds that this bill will prematurely sunset the dental examiners board and study the feasibility of establishing a dental hygienists board. Therefore, your Committee on Conference has made the following amendments to this measure:

- (1) Deleted the repeal of the Board of Dental Examiners, effective June 30, 1995, and retaining the sunset of the board until December 31, 1997;
- (2) Changed the composition of the Board of Examiners by increasing the total number of members to twelve and increasing the one dental hygienist member to two members; and
- (3) Deleted the requirement that the Auditor study the feasibility of establishing a separate board for dental hygienists.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3209, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3209, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Say, Ishii-Morikami, Morihara and Marumoto,
Managers on the part of the House.

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

Conf. Com. Rep. 36 on H.B. No. 2680

The purpose of this bill is to expedite a land exchange involving private lands north of Wahiawa, Oahu, owned by the George Galbraith Estate, and public lands in Kapolei, Oahu.

Your Committee on Conference has amended this bill by adding language in Section 2 stating, "No overhead high-voltage electric transmission system of forty-six kilovolt or greater shall be placed, constructed, or otherwise built on the 500 acres of Kapolei lands designated for the University of Hawaii-West Oahu campus at Kapolei to service such exchanged lands".

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2680, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2680, H.D. 1, S.D. 1, C.D. 1.

Representatives Takamine, Say, Nekoba, Suzuki and Marumoto,
Managers on the part of the House.

Senators Iwase, Hagino, Holt, Kanno and George,
Managers on the part of the Senate.

Conf. Com. Rep. 37 on H.B. No. 2921

The purpose of this bill is to limit civil liability of persons sponsoring equine activities by defining the conditions under which such persons may be held liable for any injury or death to a participant.

Your Committee on Conference finds that the approach adopted in this measure of providing the equine activity sponsor or equine professional with a rebuttable presumption of no negligence in situations in which the injury, damage, or death is caused solely by the inherent risk and unpredictable nature of the equine is the proper approach in trying to keep horse-riding available for all to enjoy in Hawaii.

Your Committee on Conference has amended this bill to correct a technical error in Section 2 by changing the effective date from "June 31, 1994," to "upon approval."

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2921, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2921, H.D. 1, S.D. 1, C.D. 1.

Representatives Takamine, Tom, Beirne, Nekoba and Thielen,
Managers on the part of the House.

Senators Grauly, Baker, Iwase, Matsuura and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 38 on H.B. No. 2322

The purpose of this bill is to clarify the situations in which attorneys' fees can be taxed by the court in assumpsit and in actions on a promissory note or other contract in writing.

Your Committee has amended the bill by deleting the provision setting forth a fee schedule.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2322, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2322, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Oshiro and Thielen,
Managers on the part of the House.

Senators Graulty, Iwase, Levin, Matsunaga and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 39 on H.B. No. 3470

The purpose of this bill is to streamline the procedure for returning a pretrial inmate to custody when the inmate is alleged to have committed a violation of the conditional release order.

Your Committee has amended the bill by:

- (1) Specifying that a pretrial inmate may be returned to custody if an intake service center worker furnishes information to the Director of Public Safety or the Director's designee that the inmate has violated any of the terms or conditions of the release; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3470, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3470, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Amaral, White and Thielen,
Managers on the part of the House.

Senators Graulty, Baker, A. Kobayashi, Matsunaga and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 40 on H.B. No. 1712

The purpose of this bill is to strengthen license renewal requirements for electricians by requiring continuing education.

Under current law, electricians must renew their licenses every two years but are not required to undergo continuing education or provide proof of updating of skills.

Notwithstanding the absence of such requirements, the National Electrical Code is updated every three years. In light of the increased complexity created by technological advances in the electrical trade and corresponding updates to the National Electrical Code, the Legislature finds that there is a need to require electricians licensed by the State to demonstrate continued competency in their profession as a condition for subsequent relicensing.

Your Committee concurs that competence be demonstrated as follows:

- (1) For experienced electricians, by completion of an educational course on current updates to the National Electrical Code; and
- (2) For newly licensed electricians, by passing an examination on the Code.

Upon consideration, your Committee has amended this bill by:

- (1) Inserting a new section 1 setting forth legislative findings and the purpose of the bill;
- (2) Renumbering the sections following; and
- (3) Shortening the renewal period from five years to three years to coincide with updates to the Code.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1712, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1712, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Herkes and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 41 on H.B. No. 3416

The purpose of this bill is to exempt the granting of annuities provided by certain nonprofit organizations from regulatory oversight as life insurance transactions under Chapter 431, Hawaii Revised Statutes (HRS).

After careful consideration, your Committee on Conference has amended this bill by:

- (1) Clarifying that the above mentioned exemption be limited to nonprofit organizations, inter alia, that:
 - (A) Maintain a separate annuity fund containing at least one-half of the value of the annuity; and
 - (B) File an annual statement certifying the nonprofit organization's compliance with the exemption requirements; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3416, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3416, S.D. 1, C.D. 1.

Representatives Bunda, Cachola, Herkes, Ishii-Morikami and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 42 on H.B. No. 2449

The purpose of this bill is to exempt from civil liability health care providers who provide free medical care to indigents in connection with a project sponsored by a nonprofit Hawaii corporation.

Your Committee on Conference has amended this bill by deleting its contents and substituting the following:

- (1) An amendment to Section 90-1, Hawaii Revised Statutes (HRS), to include under the definition of "volunteer," any health care provider accepted in writing by the Department of Health as a volunteer who provides free medical or dental treatment, diagnosis, or advice to indigent and medically underserved patients, whether acting individually or in cooperation with a nonprofit organization;
- (2) A new section in Chapter 663, HRS, providing an exemption from civil liability, except for gross negligence or wanton acts or omissions, to any charitable or nonprofit organization that in good faith provides shelter or proper means of subsistence to needy persons as part of its charitable activities, or any person who donates goods, food, materials, or services to such a charitable or nonprofit organization;
- (3) Amendments to Section 358D-6, HRS, to provide that any donor who in good faith and without remuneration or expectation of remuneration provides services or materials used to build and construct a facility for the homeless, or who renovates, repairs, or maintains an existing or acquired facility for the homeless, or who provides shelter to homeless persons, shall not be liable for civil damages, except for gross negligence.
- (4) A new section providing that this Act shall apply only to causes of action based upon acts or omissions occurring on or after its effective date.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2449, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2449, H.D. 1, S.D. 1, C.D. 1.

Representatives Chun, Tom, Arakaki, White and Tanimoto,
Managers on the part of the House.

Senators Gaulty, Baker, Iwase, Matsuura and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 43 on H.B. No. 1733

The purpose of this bill is to strengthen laws pertaining to the return of goods.

Among other things this bill:

- (1) Requires any merchant with a policy that limits the return of goods for refund, exchange, or merchandise credit to post conspicuous signs notifying the customer of these limitations, as well as any time limits on the return of merchandise, the exclusion of certain merchandise, and the method of refund;

- (2) Requires any merchant who does not accept the return of merchandise to post conspicuous signs bearing the words, "All sales final", or "No returns for refund, merchant credits, or exchanges", or equivalent phrases to notify the customer;
- (3) Requires any person in the retail business of offering goods for sale who fails to post a conspicuous sign to accept the return of merchandise from customers and make refunds upon the return of merchandise;
- (4) Establishes conditions by which the above-mentioned refunds are to be provided to the customer;
- (5) Establishes conditions by which the merchant is not required to accept a return of merchandise for refund, merchandise credit, or exchange;
- (6) Requires the merchant to base the refund amount on the current selling price or the most recent sale price of the item if the merchant accepts the return of merchandise without requiring the customer to furnish proof of purchase; and
- (7) Provides that any violation, or any act or policy that deprives a customer of any of the rights and protection established in this bill constitutes a violation of State antitrust laws.

Your Committee on Conference has amended this bill as follows:

- (1) Deleted language from Section 481B-5(g), as set forth in SECTION 1 of this bill that requires the merchant to base the refund amount on the current selling price if the merchant accepts the return of merchandise without requiring the customer to furnish proof of purchase;
- (2) Deleted language from Section 481B-5(h), as set forth in SECTION 1 of this bill, that made failure to comply with the provisions of this Act a violation of State antitrust laws;
- (3) Inserted language in Section 481B-(e)(5), as set forth in SECTION 1 of this bill that clarifies that in calculating the full amount of payment to be refunded, a deduction for the expense of restocking the returned goods may be applied;
- (4) Inserted language in Section 481B-5(h), as set forth in SECTION 1 of this bill that makes any merchant in violation of the foregoing provisions subject to a fine of \$1,000 for each violation; and
- (5) Made technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1733, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1733, H.D. 1, S.D. 1, C.D. 1.

Representatives Bunda, Bainum, Herkes, Hirono and Thielen,
Managers on the part of the House.

Senators Holt, Iwase and Kanno,
Managers on the part of the Senate.

Conf. Com. Rep. 44 on H.B. No. 3290

The purpose of this bill is to amend Chapter 84, Hawaii Revised Statutes, on Standards of Conduct, by opening the enforcement process of the State Ethics Commission (Commission) to the public.

While your Committee on Conference believes that the Commission's enforcement process should be open to the public, your Committee also believes that the Commission should have the discretion to allow that certain records or proceedings remain closed to the public.

Accordingly, your Committee on Conference has amended this bill by:

- (1) Amending Section 84-31(c) as set forth in SECTION 1 of this bill by replacing the requirement that the Commission find "probable cause for belief" that an ethics violation has occurred in order for a hearing to be set on a charge of an ethics violation with the requirement that the Commission find "clear and convincing evidence" that an ethics violation has occurred prior to setting a time and place for a hearing;
- (2) Amending Section 84-31(c) as previously set forth in SECTION 1 of this bill to delete the provision providing that upon issuance of a notice of hearing regarding an alleged violation, the charge and statement of the alleged violation and written response thereto become public records;
- (3) Amending Section 84-31(c) as set forth in SECTION 1 of this bill to provide that a hearing be open to the public, unless in the best judgment of the Commission, the hearing should be closed to the public; and
- (4) Amending Section 84-31(d) as set forth in SECTION 1 of this bill to provide that a decision of the Commission rendered after a hearing together with findings and the record of the proceeding shall be a public record, unless in the best judgment of the Commission it should remain closed to the public;

- (5) Amending Section 84-32(a) as set forth in SECTION 2 of this bill to provide that with respect to any complaint filed against a legislator or an employee removable only by impeachment, the complaint shall be confidential until the appropriate body of the Legislature has completed its disciplinary proceedings, if any, and upon notifying the Commission of any disciplinary actions taken, the complaint shall be a matter of public record; and
- (6) Making technical, nonsubstantive amendments for purposes of style, consistency, and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3290, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3290, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Kanoho, Ihara, Say, Young and Thielen,
Managers on the part of the House.

Senators Grauly, Baker, Chang, Iwase and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 45 on H.B. No. 65

The purpose of this bill is to authorize the Housing Finance and Development Corporation to issue revenue bonds to finance the purchase of the Queen Emma Gardens apartment complex.

Your Committee has amended this bill as follows;

- (1) Increasing the bond authorization amount from \$55 to \$ 55,000,000;
- (2) Clarified that the report shall be submitted to the Legislature prior to the 1995 rather than 1994 Regular Session;
- (3) Adding that in Chapter 359, Hawaii Revised Statutes, (State Housing Projects) the term "veteran" includes Filipino World War II veterans; and
- (4) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 65, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 65, H.D. 1, S.D. 2, C.D. 1.

Representatives Isbell, Say, Pepper, Tajiri and Marumoto,
Managers on the part of the House.

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

Conf. Com. Rep. 46 on H.B. No. 740

The purpose of the bill is to define to whom a public accountant owes a duty for his professional services.

In order to make clear that the provisions in the bill refer only to simple negligence, and not to gross negligence, fraud, or other wrongful conduct, your Committee on Conference has amended the measure by inserting the word "simple" before the word "negligence" in the appropriate locations in subsection (b).

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 740, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 740, H.D. 1, S.D. 2, C.D. 1.

Representatives Tom, Bunda, Cachola, Herkes, Thielen,
Managers on the part of the House.

Senators Grauly, Holt, Iwase, Matsunaga and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 47 on H.B. No. 929

The purpose of this bill is to reduce the limitation period for actions to recover damages for injury to property and for bodily injury or wrongful death resulting from improvements to real property.

Your Committee on Conference has amended this measure to take effect on June 1, 1994.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 929, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 929, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Cachola, Oshiro and Thielen,
Managers on the part of the House.

Senators Grauly, Baker, A. Kobayashi, Levin and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 48 on H.B. No. 1088

The purpose of this bill is to amend the legal principle of joint and several liability for joint tortfeasors who cause injury or death to others.

Your Committee on Conference has amended this measure to provide that in any case where a government entity is determined to be a tortfeasor along with one or more other tortfeasors, the government entity shall be liable for no more than that percentage share of the damages attributable to the government entity. Your Committee on Conference believes that this measure is necessary to ensure fairness and equity for government entities who, because of their "deep pockets", may be otherwise required to pay more than their fair share when determined to be a joint tortfeasor.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1088, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1088, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Ishii-Morikami, Peters and Tanimoto,
Managers on the part of the House.

Senators Grauly, Baker, A. Kobayashi, Levin and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 49 on H.B. No. 3017

The purpose of this bill is to clarify laws pertaining to medical claims resulting from motor vehicle accidents.

More specifically, this bill:

- (1) States that an injured claimant shall be entitled to continued health care services requested up to the date of a decision issued by the peer review organization; provided that the request for submission to the peer review organization is timely received; and
- (2) Requires health care providers to refund to the insurer or insured all amounts previously collected for services or treatments determined by the peer review organization to be inappropriate or unreasonable.

After careful consideration, your Committee on Conference has amended this bill as follows:

- (1) Clarified that payment for the refund shall be enforced by a mechanics lien; and
- (2) Made a technical, nonsubstantive revision to correct a typographical error.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3017, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3017, S.D. 1, C.D. 1.

Representatives Bunda, Bainum, Cachola, Peters and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 50 on H.B. No. 2985

Your Committee has amended this bill by:

- (1) Deleting the provisions defining the offenses of abuse of a family or household member in the first and second degree, and setting out the penalties therefor;
- (2) Deleting the provision concerning actions a police officer may take when the officer has reasonable grounds to believe that abuse has occurred;
- (3) Adding language providing for a twenty-four hour "cooling-off" period; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

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

Representatives Tom, Amaral, Cachola, Ishii-Morikami and Thielen,
Managers on the part of the House.

Senators Grauly, Baker, A. Kobayashi, Levin, Matsuura and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 51 on S.B. No. 3180

The purpose of this bill is to allow nonfossil fuel producers to continue to receive reimbursement for the difference between the higher cost of alternative fuels and the cost of heavy fuel oil during any sustained absence of heavy fuel.

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

- (1) Extending the date of the repeal of sections 2 and 3 from June 30, 1994 to June 30, 1995;
- (2) Requiring the Public Utilities Commission to confer with the utility companies, Consumer Advocate, nonfossil fuel energy producers, and other interested parties to determine the effects of amending Act 130 on electricity prices, reliability of electric systems, contractual rights and obligations of nonfossil fuel producers and utility companies, costs of production, state policy supporting the development of alternative energy sources, and the liability cap in section 1 of Act 130;
- (3) Requiring the Public Utilities Commission to submit a report of its findings and recommendations twenty days prior to the convening of the 1995 Regular Session; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3180, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3180, S.D. 1, H.D. 2, C.D. 1.

Representatives Bainum, Herkes, Takamine, Ishii-Morikami and Thielen,
Managers on the part of the House

Senators Matsunaga, Matsuura, Levin and Koki,
Managers on the part of the Senate

Conf. Com. Rep. 52 on S.B. No. 2515

The purpose of this bill is to propose an amendment to Article VI, Section 4, of the Hawaii Constitution, to change the composition of the appointees to the Judicial Selection Commission.

In particular, the constitutional amendment proposed by this bill would reduce the number of Governor's appointees to the Judicial Selection Commission from three to one, reduce the number of Chief Justice's appointees from two to one, increase the number of appointees by the President of the Senate from one to two, and increase the number of appointees of the Speaker of the House of Representatives from one to three. The proposed amendment further requires at least one member of the commission to be a resident of a county other than the City and County of Honolulu at all times.

Your Committee finds that the number of appointees by the Governor and Chief Justice should be reduced and the number of appointees by the Speaker of the House and President of the Senate should be increased to reduce the perceived influence of the appointing authorities to the commission. However, your Committee believes that the changes in the number of appointees to the commission should reflect the recommendations of the Citizens' Conference on Judicial Selection, as contained in the original version of the bill as introduced.

Your Committee has therefore amended the bill by restoring its form to that contained in S.B. No. 2515 as introduced. As amended, the bill reduces the number of Governor's appointees to the Judicial Selection Commission from three to two, reduces the number of Chief Justice's appointees from two to one, and increases the number of appointees by the Speaker of the House and the President of the Senate from one each to two each.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2515, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2515, H.D. 1, C.D. 1.

Representatives Tom, Herkes, Ishii-Morikami, White and Thielen,
Managers on the part of the House.

Senators Grauly, Baker, Iwase and A. Kobayashi,
Managers on the part of the Senate.

Conf. Com. Rep. 53 on S.B. No. 2829

The purpose of this bill is to change the size of the area in which it is not permissible to campaign on election day from a one thousand foot radius around the polling place to a distance of three hundred feet from the perimeter of the polling place and its appurtenances. The bill also provides specificity as to what is covered by a polling place and its appurtenances.

Your Committee agreed upon amending the bill by changing the radius from three hundred feet to a two hundred foot distance from the perimeter of the polling place and its appurtenances. Your Committee further agreed to amend the measure by clarifying a polling place and its appurtenances to include, "any parking lot adjacent to the building and routinely used for parking at that building;"

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2829, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2829, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, White and Thielen,
Managers on the part of the House.

Senators Grauly, Baker, Iwase, A. Kobayashi, Levin and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 54 on S.B. No. 2630

The purpose of this bill is to make state law consistent with the Americans with Disabilities Act by protecting qualified non-disabled persons from discrimination in employment and public accommodations because of their association with or relationship to a person with a disability.

Your Committee has amended the bill by further clarifying that an employer is not required to accommodate the needs of a non-disabled person associated with or related to a disabled person, except as it may be required by Title I of the Americans with Disabilities Act.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2630, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2630, S.D. 2, H.D. 1, C.D. 1.

Representatives Yonamine, Tom, Takumi, Taniguchi and White,
Managers on the part of the House.

Senators Grauly, Baker, Kanno, Koki, Levin and Matsunaga,
Managers on the part of the Senate.

Conf. Com. Rep. 55 on S.B. No. 2180

The purpose of the bill is to require the Department of Health to adopt requirements and procedures that would result in the timely issuance of underground petroleum storage tank "no further action" letters for satisfactorily remediated properties once an acceptable environmental release report is filed with the Department of Health.

Additionally, the bill requires the Department of Health to report its findings and recommendations on the processes and procedures for such issuances to the Legislature prior to the convening of the 1995 Regular Session.

Your Committee finds that the Department of Health has expedited the issuance of "no further action" reports. However, the department should reevaluate current procedures and develop a process to further ensure prompt issuance of these reports.

Your Committee has amended the bill by adding language that:

- (1) Prohibits the Department of Health from requiring any further clean-up activities on a site where a "no further action" letter has been previously issued unless additional evidence indicates that residual contamination resulting from an underground storage tank leak that was located on the premises may still pose a risk to public health or the environment;
- (2) Requires the Department of Health to establish a work group that is representative of affected industries to identify concerns associated with leaking underground storage tanks; and
- (3) Proclaims that the provisions of the bill do not supersede any existing federal or state law.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2180, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2180, S.D. 1, H.D. 2, C.D. 1.

Representatives Bainum, Bunda, Hiraki, Ishii-Morikami and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 56 on S.B. No. 2722

The purpose of this bill is to strengthen the regulation of time share activities.

Specifically, the bill:

- (1) Requires plan managers and developers to renew registrations each even-numbered year and acquisition, sales, and exchange agents to renew each odd-numbered year;
- (2) Authorizes the Director of Commerce and Consumer Affairs to contract for the review of time share unit or interest disclosures; and
- (3) Provides that no renewal of plan manager or developer registrations shall be required in 1994, and that the biennial registrations or renewals for plan managers and developers expiring on December 31, 1995 shall be extended to December 31, 1996.

Upon further consideration, your Committee finds that to be truly effective, the law regarding time share signs must be clarified and strengthened and the penalty for chapter or rule violations must be increased to a meaningful level. Therefore, your Committee has amended this bill by:

- (1) Establishing minimum specifications on the dimensions, lettering, and posting height of permanent signs alerting the public that the facility is a time share booth and clarifying that failure to comply is an unlawful or deceptive practice pursuant to Chapter 480, Hawaii Revised Statutes; and
- (2) Increasing the administrative fine for time share violations from a \$500-\$10,000 range to a minimum of \$500 and a maximum of \$25,000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2722, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2722, S.D. 1, H.D. 1, C.D. 1.

Representatives Bunda, Ishii-Morikami and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 57 on S.B. No. 2563

The purpose of this bill is to encourage employers to make prompt payment of wages due their employees.

Under current law, an aggrieved employee may file suit to recover the amount of wages due and may be awarded the same amount by the court as a penalty, as well as court costs and fees. This bill authorizes the court to additionally assess three percent per year interest on the amount of wages due.

Your Committee finds that this measure will discourage employers from unnecessarily prolonging payment of earned wages. Accruing interest will induce employers to expedite payment of back wages, especially where the employer would otherwise have chosen to intentionally delay payment.

Your Committee has amended this bill by increasing the penalty interest to six percent per year.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2563, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2563, H.D. 1, C.D. 1.

Representatives Yonamine, Tom, Takumi, Taniguchi and Ward,
Managers on the part of the House.

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

Conf. Com. Rep. 58 on S.B. No. 2182

The purpose of this bill is to propose an amendment to Article VI, Section 3 of the Hawaii Constitution, to provide for the consent of the Senate in the appointment of district court judges only if the House of Representatives has taken no action.

Your Committee finds that Senate confirmation of district court appointments is beneficial and necessary, both to enhance public participation and confidence in the judicial selection process by allowing for public input regarding appointments and to ensure that only the most highly qualified candidates serve on the district court.

However, while your Committee agrees that the House of Representatives, like the Senate, reflects the will of the people of Hawaii, your Committee nonetheless believes that only the Senate should be involved in confirming district court judges following their appointment by the Chief Justice, consistent with the recommendations of the Citizens' Conference on Judicial Selection. Your Committee believes that the bill's requirement that a nomination be returned to the Judicial Selection Commission to make an appointment if the Senate fails to hold a public hearing and vote on each appointment

within thirty days of any appointment will encourage the Senate to act promptly in confirming or rejecting the appointment.

Your Committee has therefore amended this bill by restoring the bill to the form in which it read as S.B. No. 2182, S.D. 1.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2182, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2182, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Herkes, Ishii-Morikami, White and Thielen,
Managers on the part of the House.

Senators Grauly, Baker, A. Kobayashi, Iwase, Matsuura and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 59 on S.B. No. 2183

The purpose of this bill is to propose an amendment to the state constitution and conforming amendments to the Hawaii Revised Statutes to require the consent of the House of Representatives in the appointment of district court judges.

Although your Committee agrees that the House of Representatives, like the Senate, reflects the will of the people of the State, your Committee believes that only the Senate should be involved in confirming district court judges following their appointment by the Chief Justice, consistent with the recommendations of the Citizens' Conference on Judicial Selection. Your Committee finds that Senate confirmation of district court appointments would enhance public participation and confidence in the judicial selection process by allowing for public input regarding appointments and ensure that only the most highly qualified candidates serve on the district court.

Your Committee further finds that this bill, in the form in which it read as S.B. No. 2182, S.D. 1, was an appropriate constitutional amendment that would achieve this objective. S.B. No. 2182, S.D. 1 proposed to amend Article VI, Section 3 of the Hawaii Constitution to provide for Senate confirmation of district court judges. That bill also required that a nomination be returned to the Judicial Selection Commission to make an appointment if the Senate fails to hold a public hearing and vote on each appointment within thirty days of any appointment. Your Committee believes that such a constitutional amendment will encourage the Senate to act promptly in confirming or rejecting district court appointments.

Your Committee has therefore amended this bill by restoring it to the form in which it read as introduced. The intent of this bill, as so amended by your Committee, is to make conforming amendments to the Hawaii Revised Statutes to provide for Senate confirmation of district court judges, and will take effect only upon the ratification of a constitutional amendment requiring such Senate confirmation.

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

Representatives Tom, Herkes, Ishii-Morikami, White and Thielen,
Managers on the part of the House.

Senators Grauly, Baker, Iwase, A. Kobayashi, Matsuura and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 60 on S.B. No. 2663

The purpose of this bill is to clarify the liability of hotels with regard to the risk and dangers involved in certain beach and ocean activities and the government's duty to warn of ocean dangers.

Your Committee is well aware of the concerns of beach-front property owners that tort liability cases have recently increased in both number and damage awards. While injuries received at our beaches can be traumatic and costly to victims and their families, without a limitation of liability hotels may find their economic position and reputation seriously eroded by a single tort claim made by a casual beach user who was not even a hotel guest.

After careful consideration, your Committee finds that to better address the intent of the Legislature's concern, the bill should be limited only to the issue of a hotelkeeper's liability. Therefore, your Committee has amended this bill by deleting the section on government liability. As such, this bill substantially reflects the contents of S.B. No. 2663, S.D. 2, with a few changes in language regarding a hotelkeeper's duty to a person who is not a hotel guest.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2663, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2663, S.D. 2, H.D. 2, C.D. 1.

Representatives Cachola, Tom, Ishii-Morikami, White and Marumoto,
Managers on the part of the House.

Senators Grauly, Tanaka, A. Kobayashi, Fernandes-Salling, Levin and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 61 on S.B. No. 256

The purpose of this bill is to provide for statewide regulation of smoking in both the public and private sectors.

Specifically, the bill:

- (1) Prohibits distribution of tobacco samples on public streets, sidewalks, and parks, and within five hundred feet of a school, playground, or other facility used primarily by youngsters;
- (2) Changes the current exemption for small restaurants to those who seat forty rather than fifty patrons;
- (3) Requires non-exempted restaurants, until June 30, 1995, to set aside at least fifty percent of their total dining areas for nonsmoking patrons, and in a parallel amendment to take effect July 1, 1995, prohibits restaurants from allowing smoking unless they provide nonsmoking areas that are reasonably proportionate to the preference of the patrons and meet other specific ventilation and reporting criteria;
- (4) Effective January 1, 1994, preempts the prerogative of the counties to enact ordinances or rules regulating smoking; and
- (5) Requires all employers in the State, whether public or private, with the exception of private companies that employ five or less persons and dining areas of food service establishments, meeting and banquet rooms for private functions in hotels, motels, or other lodging establishments, or a convention center, to adopt smoking policies. Private employers that do not receive any state funding would have six months to adopt their policies.

Your Committee finds that smoking presents certain dangers to workers and the general public and favors statewide regulation.

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

- (1) Made it unlawful to distribute cigarette or tobacco promotional materials within five hundred feet of a school, playground, or other facility, but not in any permanent commercial building;
- (2) Changed the requirement for non-exempted restaurants to set aside non-smoking dining areas from fifty percent to thirty-five percent prior to July 1, 1995 and fifty percent from and after July 1, 1995;
- (3) Changed the exemption for private businesses to those that employ two or more persons;
- (4) Amended the definition of "enclosed" to include hallways, lobbies, and public areas of roofed malls;
- (5) Established a temporary task force chaired by the Department of Business, Economic Development, and Tourism to study and submit recommendations to the 1995 Regular Session of the Legislature on the economic impacts of banning smoking; and
- (6) Made several nonsubstantive technical changes for the purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 256, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 256, S.D. 2, H.D. 2, C.D. 1.

Representatives Tom, Kawakami, Yonamine, Amaral and Thielen,
Managers on the part of the House.

Senators Kanno, B. Kobayashi, Baker and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 62 on S.B. No. 495

The purpose of this bill is to allow the court discretion to sentence a defendant convicted of a class A felony drug offense to probation for a period of ten years.

Your Committee believes that, in certain instances, the public is better served by allowing judges some discretion in evaluating all appropriate sentencing and treatment alternatives available for drug offenders. Furthermore, your Committee finds that a longer probationary period for class A felony drug offenders will protect the public's interests and safety in those unusual cases where probation may be granted.

Your Committee upon further consideration has made the following amendments to S.B. No. 495, S.D. 1, H.D. 1:

- (1) Changed the phrase "unless the defendant is sooner discharged by order of the court" on page 2, lines 12 and 13, to "unless the court enters the reason therefor on the record and sentences the defendant to a shorter period of probation";
- (2) Made a number of corrections to section 2, amending section 706-623, Hawaii Revised Statutes, to reflect the current statutory language, including changing the numbering and lettering of the units of organization and adding a sentence of existing statutory text that inadvertently had been omitted; and

- (3) Made technical nonsubstantive changes to reflect correct statutory language and for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 495, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 495, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Oshiro, Takamine and Tanimoto,
Managers on the part of the House.

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

Conf. Com. Rep. 63 on S.B. No. 2393

The purpose of this bill is to provide a more comprehensive approach to firearms control in our State.

The major provisions of the bill are to: require prospective universal registration of firearms (with a few exceptions), require safety training prior to the issuance of a handgun permit, authorize certain ex parte restraining orders to prohibit the possession of firearms and authorize the issuance of search warrants to seize firearms illegally possessed by a person subject to such restraining orders, and impose absolute liability, in most circumstances, upon the owner of a handgun for any damages proximately caused by the discharge of the handgun.

Your Committee upon further consideration has made the following amendments to S.B. No. 2393, S.D. 1, H.D. 1:

- (1) Amended the absolute liability provision so that it extends to the owner of all types of firearms;
- (2) Added a new section 2 that defines the terms "firearm loaded with ammunition" and "loaded firearm" and "public highway";
- (3) Changed the age requirement for obtaining a permit to acquire a firearm from eighteen to twenty-one;
- (4) Amended section 134-2(e), Hawaii Revised Statutes, to: delete language that allows a person making a subsequent handgun permit application within a year to obtain the permit in less than fourteen days; and add a provision for the impounding and surrender of long arm permits when the permittee is arrested for certain specified crimes;
- (5) Added language to section 134-2(f), Hawaii Revised Statutes, to require the transferor of any pistol or revolver to verify that the person to whom the firearm is to be transferred is the person named in the permit;
- (6) Increased the number of hours of instruction for a course taught by a state certified or National Rifle Association firearms instructor from two to at least three hours of firing training at a firing range and at least three hours of classroom instruction;
- (7) Deleted the additional exceptions being made in section 134-3(d)(1), Hawaii Revised Statutes, to the registration requirement, except for "a firearm manufactured before 1899;"
- (8) Added a new section 5 that amends section 134-6, Hawaii Revised Statutes, to allow the forfeiture of a vehicle involved in certain firearm violations pursuant to the state forfeiture law;
- (9) Changed the language "under treatment for" to "diagnosed as having a" at page 15, line 2 and 3 with reference to persons who are prohibited from possessing firearms due to behavioral, emotional, or mental disorders;
- (10) Changed the language amending section 134-7, Hawaii Revised Statutes, with respect to ex parte restraining orders, to make the prohibition on possession of firearms apply to ex parte restraining orders issued by family court and to authorize police officers, at the time of service of a restraining order involving firearms and ammunition, to take custody of all firearms and ammunition in plain sight, discovered pursuant to a consensual search, or surrendered by the restrained person;
- (11) Added a new section 8 amending section 134-9(a), Hawaii Revised Statutes, to change the age from twenty to twenty-one of a person who may be granted a permit to carry a concealed pistol or revolver;
- (12) Deleted the amending language to section 134-17(c), Hawaii Revised Statutes, with respect to penalties for violations involving rifles and shotguns;
- (13) Added a new section amending section 134-18, Hawaii Revised Statutes, to grant qualified immunity where information is provided or an opinion rendered for purposes of investigating the continuing mental health of the holder of a valid firearm permit;
- (14) Added a new section amending section 134-32, Hawaii Revised Statutes, to authorize the revocation of a license to sell or manufacture firearms upon a violation of any of the conditions of licensure;
- (15) Added a section adding a new part to chapter 134 establishing a firearms amnesty program for persons who voluntarily surrender firearms;

- (16) Renumbered all the bill sections consecutively; and
- (17) Made a number of technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2393, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2393, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Herkes, Menor, White and Thielen,
Managers on the part of the House.

Senators Grauly, Iwase, A. Kobayashi, Matsunaga, Matsuura and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 64 on S.B. No. 3309

The purpose of this bill is to further assist residents of the Hamakua and Hilo coast and North Hilo region toward economic recovery by enabling certain permittees on state lands to obtain long-term leases in the Hamakua community development district.

Under present law, disposition of public lands is by public auction, unless specifically authorized otherwise by legislative act. The problem for Hamakua residents is that they cannot afford to prevail in a bidding to keep their lands. This bill remedies that problem by allowing the State to negotiate and enter into leases of fifteen years to thirty-five years with persons who hold revocable permits for agricultural purposes, including slaughterhouse and feedlot operations. The subject lands are those within the Hamakua community development district and the north Hilo region that are not needed by the State or the county for any other public purpose. The authority to negotiate these leases expires on June 30, 1996.

Your Committee has amended this bill by:

- (1) Changing "North Hilo region" to "Hilo coast region" throughout the bill;
- (2) Replacing the definition for "North Hilo region" with a definition for "Hilo coast region";
- (3) Adding a provision that lands eligible for lease negotiation include those engaged in an effort to create employment opportunities; and
- (4) Clarifying that the payment of annual lease rent is based on fair market value only.

The purpose of these amendments are to more clearly define the Hilo coast geographical area and to ensure that persons who are eligible to engage in long-term lease negotiations will provide job opportunities for the affected areas. Your Committee believes that it is fair to limit the annual lease rent to fair market value without adding a premium equal to one year's rent.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3309, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3309, S.D. 2, H.D. 3, C.D. 1.

Representatives Takamine, M. Ige, Say, Chang and Marumoto,
Managers on the part of the House.

Senators Ikeda, Iwase, Hagino, Baker and George,
Managers on the part of the Senate.

Conf. Com. Rep. 65 on S.B. No. 905

The purpose of this bill is to grant the Director of Transportation authority to enter into agreements with aeronautical users of the statewide system of airports in setting airports rates and charges, including landing fees.

Specifically, the bill as received by your Committee authorizes the Director to set and impose rates, fees, and other charges relating to airport use if a negotiated agreement is not reached. Although the Director will be allowed to set such rates, fees, and charges without regard to chapter 91, Hawaii Revised Statutes, (Administrative Procedure Act) the Director will be required to hold public informational hearings. The bill also establishes the parameters within which such fees and charges may be set, and requires that the Director develop the schedule of rates, rentals, fees, and other charges in accordance with a residual methodology so that the airport system is self-sustaining.

Upon further consideration, your Committee believes that legislative review over the Director's authority to set rates and charges is necessary to ensure that the rates and fees so set are fair and reasonable. Accordingly, your Committee has amended the bill to include a procedure for legislative review. The review procedure requires the submission of the schedule of rates, rentals, fees, and charges to the Legislature and allows the Legislature forty-five days to disapprove such schedule by concurrent resolution. The schedule will be deemed approved if no action is taken within the forty-five day period; however, if the Legislature disapproves within the forty-five day period, the Director will be required to develop a new schedule of rates within seventy-five days of such disapproval. Pending development of a new schedule by the Director, the schedule submitted to the Legislature shall remain in force.

Your Committee has also amended the bill to add a requirement that the DOT submit a detailed report to the Legislature on the circumstances and rates and charges set and a provision authorizing the director to impose landing surcharges and differential landing fees.

Your Committee notes that the language regarding the procedure for the setting of rates and fees was developed after consulting with the State's Bond Counsel to ensure compliance with bond covenants and agreements with holders of airport revenue bonds.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 905, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 905, S.D. 1, H.D. 2, C.D. 1.

Representatives Oshiro, Say, Nakasone, Suzuki and Marumoto,
Managers on the part of the House.

Senators Ikeda, Fernandes-Salling, Baker, Holt, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 66 on S.B. No. 3161

The purpose of this bill is to expedite agricultural land lease negotiations and to facilitate the development and acquisition of industrial parks.

Specifically, this bill would:

- (1) Require the Department of Land and Natural Resources (DLNR) to establish policies to expedite the completion of agricultural land lease negotiations as provided for in Act 237, Session Laws of Hawaii 1988, as amended;
- (2) Extend for one year the repeal date of Act 237, as amended, to July 1, 1995;
- (3) Allow the board of land and natural resources to charge fees to eligible lessees of public lands within industrial parks to cover costs of operation, maintenance, and debt service on revenue bonds and reasonable reserves, and to cover capital costs;
- (4) Allow the Board to issue revenue bonds as authorized by the Legislature and to designate one or more industrial parks as an "undertaking" for the purpose of issuing revenue bonds;
- (5) Formally grant the Board the power to issue revenue bonds, pledge or assign receipts and revenues of the DLNR, reimburse the general fund for debt service on general obligation bonds or reimbursable general obligation bonds issued by the State, and do all things necessary to carry out the purposes of the Act;
- (6) Add to the uses of the industrial park special fund to include payment of debt service on revenue bonds issued for industrial park purposes and reimbursement of the general fund for debt service on general obligation bonds to finance industrial park projects; and
- (7) Authorize the DLNR to issue \$20,000,000 in revenue bonds to finance industrial parks developed or acquired by the DLNR.

Your Committee upon further consideration has made the following amendments to this bill:

- (1) Added a further amendment to section 4 of Act 237, Session Laws of Hawaii 1988, as amended, to:
 - (A) Delete the illustration relating to the twenty-five per cent premium to be added to the annual lease rent; and
 - (B) Limit to no more than four the number of years of the lease that the lessee had occupied the land under a revocable permit to which the premium can be added; and
- (2) Made technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3161, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3161, S.D. 2, H.D. 2, C.D. 1.

Representatives M. Ige, Takamine, Say, Chumbley and Marumoto,
Managers on the part of the House.

Senators Ikeda, Hagino, Iwase, Holt and George,
Managers on the part of the Senate.

Conf. Com. Rep. 67 on S.B. No. 2615

The purpose of this bill is to establish an emergency medical service system for children program within the Department of Health.

Specifically, this bill:

- (1) Defines "emergency medical services for children" to mean comprehensive emergency medical services, including preventive, pre-hospital, hospital, rehabilitative, and other post-hospital care, for children;
- (2) Requires one physician member of the state emergency medical services advisory committee to be engaged in the full-time practice of pediatrics and to be board-eligible or board-certified by the American Board of Pediatrics; and
- (3) Limits the purpose for which the Department of Health may collect and analyze statewide emergency medical services data, including pediatrics, trauma, cardiac, medical, and behavioral medical emergencies, to improving the quality of services provided.

Your Committee finds that the establishment of a state comprehensive emergency medical services system for children is a matter of compelling state interest and necessary to protect and preserve the health of the young people of the State.

Your Committee has amended this bill by deleting those provisions limiting the physician, mobile intensive care technician, and emergency medical technician membership of the state emergency medical services advisory committee to those persons engaged in the full-time practice of their respective vocations.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2615, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2615, S.D. 2, H.D. 2, C.D. 1.

Representatives Pepper, Say, Arakaki, Kawakami and Tanimoto,
Managers on the part of the House.

Senators Ikeda, Holt, B. Kobayashi, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 68 on S.B. No. 3254

The purpose of this bill is to ensure that funds for the celebration of the 1994 Samoan Flag Day are expended from the State Foundation on Culture and the Arts base budget.

Your Committee believes that it is important to recognize the importance of Samoan culture and people, not only as neighbors and fellow Pacific islanders, but also in appreciation of the profound and positive impact, both historically and presently, that the Samoan people have had on Hawaii. Your Committee finds that appropriating funds for the 1994 Samoan Flag Day recognizes the importance of the Samoan people to the State on this important day, and emphasizes their many contributions to the rich cultural diversity of Hawaii.

Your Committee, however, believes that funds for this event should be appropriated as new funds directly from the general fund, rather than from funds previously appropriated to the State Foundation on Culture and the Arts. Your Committee has therefore amended this bill by appropriating the amount of \$5,000 for fiscal year 1994-1995.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3254, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3254, S.D. 1, H.D. 1, C.D. 1.

Representatives Lee, Kawakami, Alcon, Shon and Ward,
Managers on the part of the House.

Senators Ikeda, Fukunaga, Solomon, Tungpalan and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 69 on S.B. No. 2728

The purpose of this bill is to appropriate funds for agricultural research, development, and extension performed by the experiment station of the Hawaiian Sugar Planters' Association ("HSPA") or its successor.

Additionally, this bill conditions the release of the funds upon their being matched dollar-for-dollar by the HSPA or its successor.

Secondarily, these funds are intended to enable the HSPA to maintain its current staff and resources at its experiment station and to transfer ownership of the station to the Hawaii Agricultural Research Corporation ("HARC").

Your Committee on Conference finds that agriculture is one of the State's primary industries, and the sugar industry provides Hawaii's primary export product. However, with the downsizing of the sugar industry, agricultural research efforts must be undertaken to maintain and improve upon the output of current crops, and to develop new crops upon the prime agricultural lands opening up for use.

Your Committee further finds that HARC ownership will enable the experiment station to perform proven, results-oriented, scientific research for the agriculture industry and thereby become a catalyst for stimulating the industry, generating employment opportunities, and revitalizing the State's economy.

After full and free discussion, your Committee has amended this measure by reinstituting the appropriation amount of \$1,000,000 for the agricultural research to be performed by the experiment station. Furthermore, an additional sum of \$100,000 is being appropriated for pineapple research, also to be performed by the experiment station, and under the same dollar-for-dollar match conditions as the sums for agricultural research.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2728, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2728, S.D. 2, H.D. 2, C.D. 1.

Representatives M. Ige, Say, Chang, Chumbley and Marumoto,
Managers on the part of the House.

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

Conf. Com. Rep. 70 on S.B. No. 3307

The purpose of this bill is to direct the Department of Business, Economic Development, and Tourism to expend \$472,000 in funds previously allocated under Act 311, Session Laws of Hawaii 1993, to provide services and assistance to the people and community of Hamakua on the island of Hawaii.

Your Committee finds that the closure of Hamakua Sugar company will severely impact the stability of the various Big Island communities located along the Hilo-Hamakua coastline. Because of the region's traditional reliance on sugar cultivation, immediate assistance is needed to restructure and reinvigorate the area's economy. To mitigate the effects of the company's withdrawal, several important initiatives have already been approved by your Committee to assist in the economic revitalization of the area. Your Committee finds that further assistance will enable the delivery of services that will provide short-term as well as long-term benefits to the community.

While it agrees with the intent of this bill, your Committee finds that an earlier draft of a companion measure previously approved by the Senate more accurately outlines the programs that are needed to provide the necessary assistance to the region. Accordingly, this bill has been amended to reflect the draft approved earlier by your Committee.

Your Committee has amended this bill by directing the Department of Budget and Finance, rather than the Department of Business, Economic Development, and Tourism, to expend \$472,500, rather than \$472,000, in unexpended Act 311-93 funds during the upcoming fiscal year to carry out the programs necessary to assist the Hamakua region. This bill also appropriates an additional \$1,500,000 to carry out the purposes of this bill. Your Committee has further amended this bill by reducing the variety of uses identified for the funds being appropriated.

Your Committee on Conference 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 Final Reading in the form attached hereto as S.B. No. 3307, S.D. 2, H.D. 1, C.D. 1.

Representatives Say, Chang, Kawakami, Nakasone and Ward,
Managers on the part of the House.

Senators Ikeda, Chang, Solomon, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 71 on S.B. No. 2249

The purpose of this bill is to modify the budget allotment system by incorporating a system of aggregate fiscal and personnel controls that defines the roles of the governor and the various state departments and agencies with regard to budget estimates and allotment changes.

Specifically, this bill would:

- (1) Require departments and establishments to revise personnel and expenditure estimates returned by the Director of Finance to make these estimates consistent with the recommendations of the director;
- (2) Require the Director of Finance to approve the revised estimates when they are consistent with the legislative intent of the program as well as the aggregate amount of increase or reduction required by the director; and
- (3) Require each department or agency to use supporting data as may be required by the director in revising its estimates upon receiving the changes to their estimates as determined by the director.

Your Committee finds that this bill would enable each state agency to determine its program priorities in meeting any reduction in program allocation within the Legislature's intent. Not only would this measure give departments greater flexibility in accomplishing their budgeted objectives, but it would ensure greater accountability in the use of state funds.

Your Committee upon further consideration has made the following amendments to this bill:

- (1) Removed the requirement for departments or agencies to use supporting program data when revising estimates; and
- (2) Made technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2249, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2249, H.D. 1, C.D. 1.

Representatives Say, Chang, Kawakami, Morihara and Ward,
Managers on the part of the House.

Senators Ikeda, Hagino, Iwase, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 72 on S.B. No. 2875

The purpose of this bill is to appropriate funds for additional ambulance units and increased ambulance services on Oahu.

Your Committee on Conference finds that the need is critical for additional units and service for the metropolitan Honolulu, Mililani, Kahaluu/Kaaawa, Leeward, and Hawaii Kai areas of Oahu. In the near future, the increased populations in these areas could impair the ability of present ambulance units to respond in a timely manner and keep to a minimum the risks of aggravating life-threatening traumatic injuries. The high population density of metropolitan Oahu is especially problematic.

Your Committee has amended this measure by inserting the sum of \$110,000 for additional ambulance units specifically for metropolitan Honolulu and the sum of \$1,195,460 for increased ambulance service island-wide for Oahu.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2875, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2875, S.D. 1, H.D. 2, C.D. 1.

Representatives Pepper, Say, Chun and Ward,
Managers on the part of the House.

Senators Ikeda, Holt, Iwase, B. Kobayashi and George,
Managers on the part of the Senate.

Conf. Com. Rep. 73 on S.B. No. 2172

The purpose of this bill is to establish the Clean Hawaii Center (Center) within the Department of Business, Economic Development, and Tourism (DBEDT) to develop local processing and manufacturing industries for collected recyclables.

Your Committee has amended the bill by:

- (1) Establishing a Clean Hawaii Special Fund to fund the activities of the Clean Hawaii Center;
- (2) Amending the provisions of the Capital Loan Program to encourage the proliferation of recycling businesses in the State;
- (3) Deleting the appropriation section of the bill; and
- (4) Making numerous technical and stylistic amendments for the purpose of clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2172, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2172, S.D. 2, H.D. 2, C.D. 1.

Representatives Stegmaier, Say, Morihara, Nekoba and Marumoto,
Managers on the part of the House.

Senators Ikeda, Chang, Fukunaga, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 74 on S.B. No. 1628

The purpose of this bill is to provide for the dredging of the entrance to the Hawaii Kai marina main entrance channel.

Your Committee finds that the marina, although private, serves several important public functions in time of emergency. The marina is the only safe harbor for boats along the coast in the event of a sudden storm or surge. If a hazardous waste or sewage spill occurs, the marina can serve as a base for clean-up operations. Rescue operations and

fire equipment may also be transported via the marina. Your Committee finds that the interests of public health and safety justify state participation in maintaining clear access to the marina.

Your Committee has amended this bill by authorizing the Director of Finance to issue general obligation bonds for this project in the amount of \$240,000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1628, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1628, S.D. 2, H.D. 1, C.D. 1.

Representatives Say, Nekoba, Pepper, Santiago and Ward,
Managers on the part of the House.

Senators Ikeda, Baker and George,
Managers on the part of the Senate.

Conf. Com. Rep. 75 on S.B. No. 2378

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

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2378, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2378, H.D. 1, C.D. 1.

Representatives Say, Alcon, Chang, Kanoho, Kawakami, Morihara, Nakasone, Nekoba, Pepper, Santiago, Suzuki, Tajiri, Tam, Marumoto and Ward,
Managers on the part of the House.

Senators Ikeda, Hagino, Fernandes-Salling, Fukunaga, Holt, Iwase, Kanno, Levin, McCartney, Solomon, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 76 on S.B. No. 576

The purpose of this bill is to eliminate hospitals from the hospital and nursing facility tax imposed by Act 315, Session Laws of Hawaii 1993, contingent upon the implementation of the Hawaii Health QUEST program.

The Department of Taxation pointed out the need to have a date certain to repeal the applicability of the tax. Therefore, your Committee has amended this bill by requiring that all taxes be levied, assessed, and collected as provided by Act 315, through the last day of the month preceding the implementation of the QUEST program. With this amendment, the change to the law can be properly implemented with a much greater level of precision.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 576, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 576, H.D. 1, C.D. 1.

Representatives Say, Alcon, Pepper, Santiago and Ward,
Managers on the part of the House.

Senators Ikeda, Hagino, Holt, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 77 on S.B. No. 2366

The purpose of this bill is to reenact the use tax exemption for oil pollution removal equipment imported into the State or sold to certain tax-exempt, nonprofit entities retroactive to June 29, 1993.

Your Committee finds that this use tax exemption, as originally enacted by Act 184, Session Laws of Hawaii 1992, expired on June 30, 1993. Your Committee finds that extending this exemption for oil pollution removal equipment for one additional year would greatly assist the State in pursuing its stated goals and objectives of assuring a clean, stable physical environment and the protection of Hawaii's shoreline and marine resources, as provided in chapter 226, Hawaii Revised Statutes.

Your Committee has amended this bill by making the section establishing a use tax exemption an uncodified section, and clarifying that the purpose of the bill is to reenact the substance of section 1 of Act 184, Session Laws of Hawaii 1992.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2366, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2366, H.D. 1, C.D. 1.

Representatives Say, Kawakami, Nakasone, Tajiri and Marumoto,
Managers on the part of the House.

Senators Ikeda, Fukunaga, Hagino, Iwase and George,
Managers on the part of the Senate.

Conf. Com. Rep. 78 on S.B. No. 3292

The purpose of this bill is to create an economical and efficient airport taxi system through the development of a master plan that would benefit taxi customers, taxi operators, and to enhance the State's Aloha Spirit to visitors to Hawaii.

The bill appropriates \$1 to the Department of Transportation to develop this master plan that includes:

- (1) Conducting a thorough review of airport taxi service and formulating a management plan;
- (2) Calculating airport taxi permit fees, if any, based upon a rational analysis of, and not to exceed the costs for, operating and administering the airport taxi system;
- (3) Consulting with members of the local taxi industry as well as technical experts in the field; and
- (4) Submitting a report on a proposed master plan to the Legislature no later than twenty days prior to the convening of the Regular Session of 1995.

Your Committee finds that clean, reasonably priced, efficient taxi service to and from the airport is an essential part of creating a good impression on tourists, demonstrating the Aloha Spirit, and promoting return visits to the islands. However, high permit fees, poor dispatch systems, and high taxi fares have created the need for a fair and equitable policy for the management and administration of airport taxi service.

Your Committee upon further consideration has made the following amendments to this bill:

- (1) Changed the appropriated amount from \$1 to \$75,000;
- (2) Added a provision that unexpended or unencumbered balance as of June 30, 1995 shall lapse into the airport revenue fund; and
- (3) Changed the effective date from July 1, 1994 to upon approval.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3292, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3292, S.D. 1, H.D. 3, C.D. 1.

Representatives Oshiro, Bunda, Say, Shon and Ward,
Managers on the part of the House.

Senators Ikeda, Fernandes-Salling, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 79 on S.B. No. 2161

The purpose of this bill is to establish a statewide household hazardous waste program within the Department of Health.

Your Committee finds that households throughout the State generate small quantities of hazardous waste on a continuous basis. To avoid further contamination of Hawaii's environment and groundwater resources, household wastes exhibiting hazardous properties should be segregated from those wastes that are generally discarded in the landfills of the State. This bill provides the Department of Health with the authority to develop programs to ensure the proper disposal of household hazardous wastes.

Your Committee has amended this bill by inserting an appropriation of \$150,000 to carry out the purposes of the household hazardous waste program.

Your Committee has further amended this bill by establishing the household hazardous waste program as an uncodified session law rather than a new section within the hazardous waste law.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2161, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2161, H.D. 2, C.D. 1.

Representatives Bainum, Say, Hirono, Nekoba and Marumoto,
Managers on the part of the House.

Senators Ikeda, Chang, Solomon, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 80 on S.B. No. 3303

The purpose of this bill is to allow the Department of Health to delegate to agencies of the various counties the powers or authority vested in the department to investigate alleged reports of illegal solid waste disposal practices.

Specifically, this bill:

- (1) Expands the definition of "solid waste" to include "inert fill material";
- (2) Defines "inert fill material" to mean material uncontaminated by solid waste or petroleum products, including earth and soil containing less than ten per cent vegetative material (such as grub material, brush, or trees), and rocks and rock-like material such as cured asphalt, brick, and clean concrete with no exposed steel reinforcing rod longer than twelve inches; and prohibits any material containing more than five per cent by volume of solid waste other than vegetative material from being considered inert fill material for the purposes of chapter 342H, Hawaii Revised Statutes (solid waste pollution);
- (3) Prohibits a person from discarding, disposing of, depositing, discharging, or dumping solid waste or arranging for the disposal of solid waste in an amount greater than one cubic yard in volume anywhere other than a permitted solid waste disposal system, without the prior written approval of the Director of Health; and
- (4) Requires a fine or penalty to be distributed equally between the department of the county whose officers or employees initiated and conducted an investigation and the environmental response revolving fund, where the county individually initiates and conducts, or the state and the county jointly initiate and conduct, an investigation resulting in the imposition and collection of a fine or penalty for illegal solid waste disposal practices.

Despite the continued threat of fines and penalties under the existing solid waste pollution law, your Committee finds that some generators of solid wastes remain recalcitrant and continue to dispose of their wastes in an improper manner. Your Committee finds that there is a need to protect the natural beauty and integrity of Hawaii's lands by improving and updating existing state laws relating to solid waste pollution, and strengthening the existing enforcement program under the solid waste pollution law.

Your Committee has amended this bill by amending the definition of "inert fill material" to:

- (1) Delete the provision limiting "inert fill material" to material that is uncontaminated by solid waste or petroleum products; and
- (2) Add a provision limiting "inert fill material" to rocks and rock-like material, in addition to earth and soil, with a vegetative material contents of less than ten per cent.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3303, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3303, S.D. 1, H.D. 2, C.D. 1.

Representatives Bainum, Tom, Say, Hirono and Thielen,
Managers on the part of the House.

Senators Ikeda, Chang, Grauly and George,
Managers on the part of the Senate.

Conf. Com. Rep. 81 on S.B. No. 2141

The purpose of this bill is to establish a special account to be known as the spouse and child abuse special account.

Specifically, this bill:

- (1) Requires the proceeds of the spouse and child abuse special account to be reserved for use by the Department of Human Services for grants-in-aid to make appropriations to programs engaged in spouse or child abuse intervention or prevention;
- (2) Requires funds in the account to be used to supplement existing efforts, and prohibits funds in the account from being used to supplant existing efforts;
- (3) Requires the account to consist of fees for marriage licenses remitted to the Director of Finance, and interest and investment earnings, grants, donations, and other contributions from private or public sources;
- (4) Increases the fee for a marriage license from \$16 to \$25; increases the State's share of the fee for a marriage license issued by an agent who is not an employee of the State from \$8 to \$17; requires the Director of Finance to deposit the sum of \$9 to the credit of the spouse and child abuse special account upon the receipt of any remittance from such an agent; and requires the Director of Finance to deposit the sum of \$9 to the credit of the spouse and child abuse special account upon the receipt of any remittance from an agent who is an employee of the State; and

- (5) Requires the Department of Health to amend section 2.10 of chapter 8b, Hawaii Administrative Rules, by increasing the fee charged for the issuance of certified copies of any birth, death, or marriage certificate from \$2 to \$5.

While the need for and the effective impact of programs targeted at spouse and child abuse prevention have become clear, your Committee finds that the resources for supporting these programs have become scarce. Your Committee also finds that government sometimes has been too quick to cut appropriations to nonprofit agencies when savings are needed, rather than taking a hard look at improving internal operations. Your Committee further finds that the mechanism of a special fund can be used to assert legislative priorities and preserve legislative prerogatives in the area of spouse and child abuse intervention and prevention.

Your Committee believes that the increases in fees for marriage licenses and fees for certified copies of birth, death, and marriage certificates, although not strictly user fees and not likely to generate sufficient income to fund fully the demand for spouse and child abuse intervention programs, bear a reasonable nexus to the purpose of the proposed special fund and will provide a substantive base amount upon which full funding of program services can be built.

Your Committee has amended this bill by:

- (1) Establishing a separate spouse and child abuse special account for the Judiciary under chapter 601, Hawaii Revised Statutes;
- (2) Requiring all fees received for the issuance of certified copies of birth, marriage, or death certificates to be remitted to the Director of Health; and requiring the Director of Health to deposit \$1.50 for each certified copy to the credit of the spouse and child abuse special account established under chapter 346, Hawaii Revised Statutes, to deposit \$1.50 for each certified copy to the credit of the spouse and child abuse account established under chapter 601, Hawaii Revised Statutes, and to deposit the remainder of the fee for each certified copy to the credit of the state general fund, upon the receipt of remittances;
- (3) Requiring the account established under chapter 346, Hawaii Revised Statutes, to be administered and expended by the Department of Human Services; and requiring the account established under chapter 601, Hawaii Revised Statutes, to be administered and expended by the Judiciary;
- (4) Requiring the proceeds of the account established under chapter 346, Hawaii Revised Statutes, and the proceeds of the account established under chapter 601, Hawaii Revised Statutes, to be:
 - (A) Used for staff programs and purchases of services, in addition to grants; and
 - (B) Used for new programs, in addition to supplementing existing programs (efforts);
- (5) Making all realizations of the account established under chapter 346, Hawaii Revised Statutes, and all realizations of the account established under chapter 601, Hawaii Revised Statutes, subject to those conditions specified in the laws establishing the respective accounts;
- (6) Limiting the use of the proceeds of the account established under chapter 346, Hawaii Revised Statutes, and the use of the proceeds of the account established under chapter 601, Hawaii Revised Statutes, to supporting or providing spouse or child abuse intervention or prevention that is authorized by law;
- (7) Requiring the fees received for the issuance of marriage licenses by an agent who is not an employee of the State to be remitted to the Director of Health rather than the Director of Finance;
- (8) Requiring the Director of Health, rather than the Director of Finance, to deposit the fees received for the issuance of marriage licenses to the credit of the account established under chapter 346, Hawaii Revised Statutes, and to deposit the fees received for the issuance of marriage licenses to the credit of the account established under chapter 601, Hawaii Revised Statutes; and requiring the Director of Health to deposit the remainder of the fees received for the issuance of marriage licenses to the credit of the state general fund;
- (9) Specifying that \$4.50 is to be deposited to the credit of the account established under chapter 346, Hawaii Revised Statutes, and that \$4.50 is to be deposited to the credit of the account established under chapter 601, Hawaii Revised Statutes, for each marriage license issued;
- (10) Changing the fee charged by the Department of Health for the issuance of certified copies of any birth, death, or marriage certificate from a maximum of \$5 to a minimum of \$5;
- (11) Appropriating from the account established under chapter 346, Hawaii Revised Statutes, a sum not to exceed \$400,000, for fiscal year 1994-1995, for the Department of Human Services, and appropriating from the account established under chapter 601, Hawaii Revised Statutes, a sum not to exceed \$400,000, for fiscal year 1994-1995, for the Judiciary;
- (12) Making the provision requiring all fees received for the issuance of certified copies of birth, marriage, or death certificates to be remitted to the Director of Health, and requiring the Director of Health to deposit \$1.50 for each certified copy to the credit of the account established under chapter 346, Hawaii Revised Statutes, to deposit \$1.50 for each certified copy to the credit of the account established under chapter 601, Hawaii Revised Statutes, and to deposit the remainder of the fee for each certified copy to the credit of the state general fund, effective after the effective date of the amendments to the rules increasing the fee charged by the Department of Health for the issuance of certified copies of any birth, death, or marriage certificate from \$2 to not less than \$5;

- (13) Exempting the account established under chapter 346, Hawaii Revised Statutes, and the account established under chapter 601, Hawaii Revised Statutes, from the law relating to transfers from special funds for central service expenses, and the law relating to special fund reimbursements for departmental administrative expenses; and
- (14) Making numerous technical, nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2141, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2141, S.D. 2, H.D. 2, C.D. 1.

Representatives Chun, Say, Arakaki, Santiago and Tanimoto,
Managers on the part of the House.

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

Conf. Com. Rep. 82 on S.B. No. 2261

The purpose of this bill is to authorize the Office of Hawaiian Affairs (OHA) to issue revenue bonds and to provide that the annual salary of OHA board members is to be paid by both OHA and the State sharing equally in the costs of wages and fringe benefits.

Your Committee finds that OHA, as a separate entity independent of the executive branch of state government, was established to have full control over the administration of its trust funds for the betterment of the conditions of native Hawaiians. Inherent in this statutory and fiduciary duty is the responsibility to administer the trust funds in the best interests of the trust beneficiaries. Your Committee believes that this bill will enable OHA to achieve these objectives and allow that office to maximize the trust funds without eroding the trust corpus by authorizing OHA to issue revenue bonds by and on behalf of OHA's board of trustees, and not by or on behalf of the State, to be secured by the moneys received by OHA from the twenty per cent share of revenue from the public land trust.

Your Committee has amended this bill by deleting the provisions of the bill relating to the payment of salaries of OHA board members and by making technical, nonsubstantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2261, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2261, S.D. 2, H.D. 3, C.D. 1.

Representatives Arakaki, Say, Apo, Beirne and Tanimoto,
Managers on the part of the House.

Senators Ikeda, Chang, Holt, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 83 on S.B. No. 2908

The purpose of this bill is to designate Hawaii qualified health centers (HQHCs) and to assure cost-based reimbursements for HQHCs for the delivery of enabling services.

Specifically, this bill:

- (1) Grants power to the Director of Health to designate, with the concurrence of the Director of Human Services, community-based primary care centers not yet designated as federally qualified health centers (FQHCs) as Hawaii qualified health centers (HQHC).
- (2) Provides that any FQHC or FQHC-lookalike, or Rural Health Center be designated as a HQHC and be known as essential community providers;
- (3) Requires the Department of Human Services (DHS) to make a supplemental capitation payment to HQHCs based on the number of clients without insurance who are provided enabling services at those HQHCs;
- (4) Gives the DHS the administrative flexibility to expend funds through QUEST contracts, a modified voucher system, or through chapter 42D, Hawaii Revised Statutes;
- (5) Defines "enabling services" to include enabling services as defined by FQHC standards; and
- (6) Requires HQHCs receiving supplemental payments to reconcile their costs annually.

Your Committee finds that this bill would preserve the primary care services, outreach, and other enabling services of community health centers through the designation of these centers as HQHCs.

Your Committee upon further consideration has made the following amendments to this bill:

- (1) Clarified that the centers not yet federally designated but deserving of support may be designated as HQHCs;
- (2) Inserted the proviso that the DHS is to provide a supplemental capitation program only if the QUEST program is implemented;
- (3) Deleted all references to capitation payments including limits as to certain clients whose cost-based reimbursement have been waived and individuals not in state or federal programs who continue to be without health insurance; and
- (4) Made technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2908, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2908, S.D. 1, H.D. 2, C.D. 1.

Representatives Duldulao, Chun, Say, Isbell and Tanimoto,
Managers on the part of the House.

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

Conf. Com. Rep. 84 on S.B. No. 2170

The purpose of this bill is to promote the recycling of glass containers in the State by:

- (1) Establishing an advance disposal fee program to be administered by the Department of Health;
- (2) Establishing requirements for county glass recovery programs; and
- (3) Requiring that a minimum of ten percent crushed glass aggregate be used in all public highway and road construction and improvement projects.

Your Committee has amended the bill by changing the effective date of sections 3 and 4 from July 1, 1996 to July 1, 1994.

Representatives Bainum, Say, Herkes and Thielen,
Managers on the part of the House.

Senators Ikeda, Chang, Fukunaga, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 85 on S.B. No. 2377

The purpose of this bill is to set standards of qualification, education, and experience for those persons who seek to represent themselves to the public as social workers.

Under this bill, social workers will be licensed under a program established in the Department of Commerce and Consumer Affairs. To be eligible, a person must have a master's degree and have passed the national examination given by the American Association of State Social Work. Exemptions are granted for persons doing similar kinds of work or possessing less than the master's degree as long as they do not purport to be licensed social workers.

An appropriation of \$132,552 is provided to establish the program.

Your Committee finds that the practice of social work should be regulated in order to ensure the protection and welfare of the consuming public.

Your Committee has amended this bill by:

- (1) Deleting the licensing exemption for those who would hold themselves to be social workers by virtue of an educational degree;
- (2) Providing penalties for violations of rules adopted pursuant to the regulatory power herein granted;
- (3) Changing the appropriation to \$26,000; and
- (4) Making nonsubstantive technical changes for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2377, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2377, S.D. 2, H.D. 3, C.D. 1.

Representatives Chun, Bunda, Tom, Say, Hirono, Santiago and Tanimoto.
Managers on the part of the House.

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

Conf. Com. Rep. 86 on S.B. No. 1249

The purpose of this bill is to increase access to high-quality, safe, appropriate, and cost-effective primary health care services.

This would be accomplished by providing advanced practice registered nurses with limited prescriptive authority, establishing a formulary council, including at least one advanced practice registered nurse on the Board of Nursing, and appropriating funds to implement these provisions.

Your Committee agrees that efforts must be made to make high-quality health care more accessible.

After further consideration, your Committee has amended this bill by deleting its substance and inserting a new section to Chapter 457, Hawaii Revised Statutes, instructing the Department of Commerce and Consumer Affairs to grant authority to advanced practice registered nurses to prescribe from applicable formularies designated by the Board of Medical Examiners and to require an interim report on the establishment of formularies by December 31, 1994.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1249, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1249, S.D. 1, H.D. 3, C.D. 1.

Representatives Pepper, Bunda, Say, Ishii-Morikami and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 87 on S.B. No. 2653

The purpose of this bill is to increase the gallonage tax rates on various liquor categories over a four-year period.

The bill also repeals the automatic annual liquor tax "escalator" provision of section 244D-4.5, Hawaii Revised Statutes, that can either increase or decrease the tax rates each year.

Your Committee upon further consideration has made the following amendments to S.B. No. 2653, S.D. 1, H.D. 1:

- (1) Inserted, in place of an unspecified amount, a dollar figure representing a 1.00 per cent increase on distilled spirits and a 1.25 per cent increase in all other liquor categories in current tax rates for each year of the fiscal year periods from July 1, 1995 to July 1, 1998. Your Committee used the figures of \$5.75 per wine gallon for distilled spirits and 89 cents per wine gallon for beer other than draft as the base rates for computation; and
- (2) Corrected the spelling of the word "gallon" on line 8 of page 2 and correctly renumbered the Ramseyer and effective date sections.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2653, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2653, S.D. 1, H.D. 1, C.D. 1.

Representatives Say, Chang, Kawakami, Nakasone and Marumoto,
Managers on the part of the House.

Senators Ikeda, Hagino, Holt, Iwase and George,
Managers on the part of the Senate.

Conf. Com. Rep. 88 on S.B. No. 2262

The purpose of this bill is to continue the process of resolving claims against the State and the federal government arising from the Hawaiian Homes Land trust.

Specifically, this bill:

- (1) Extends the term of service of the court-appointed independent representative to December 1, 1995;
- (2) Permits either the independent representative or a task force member to apply to the circuit court for findings on specified issues; and
- (3) Appropriates \$1 to pay the independent representative.

Your Committee finds that the State has recognized its duty to beneficiaries of the Hawaiian Homes Land trust, and seeks resolution of the claims of the beneficiaries. Your Committee further finds that the task of compiling and achieving

resolution of these claims through nonjudicial processes is time-consuming and that additional time is necessary for the independent representative to finish the task.

Your Committee has amended this bill by:

- (1) Extending the term of service of the independent representative to June 30, 1995;
- (2) Requiring, rather than permitting, the independent representative to file findings and recommendations with the Legislature no later than twenty days prior to the convening of the regular session of 1995;
- (3) Defining the term "impasse" and establishing the procedure to find a volunteer arbitrator to resolve impasses;
- (4) Appropriating \$150,000 to pay the independent representative and paying for additional services; and
- (5) Adding a severability clause.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2262, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2262, S.D. 2, H.D. 3, C.D. 1.

Representatives Arakaki, Tom, Say, Apo and Tanimoto,
Managers on the part of the House.

Senators Ikeda, Chang, Grauly, Iwase and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 89 on S.B. No. 3045

The purpose of this bill is to establish the Agribusiness Development Corporation with the authority to carry out programs to promote the development of new agricultural enterprises, to assist expansion of existing agricultural enterprises, and to alter or modify agricultural enterprises to take advantage of changing market conditions.

The downsizing of plantation industries such as sugar and pineapple presents the State with an unprecedented opportunity to plan and coordinate the transition of vast acreages of prime agricultural lands into agricultural ventures made viable by timely market analysis and development. Within the next decade, more than 75,000 acres of agricultural lands are expected to be released by the plantations. In addition, 50 million gallons per day of irrigation water will be released. More importantly, the idling of large tracts of agricultural lands will idle the valuable inventory of supporting infrastructure such as pumps, pipelines, drainage systems, processing and packing facilities, maintenance workshops, and warehouses. The establishment of a strong advocate for agriculture will provide the leadership and instrument capable of handling the transition of agriculture in a coordinated and comprehensive manner.

The transition from large plantations with single crops to diversified agricultural ventures producing a large variety of commodities will require strong leadership and coordination. Agricultural ventures will have to compete in constantly evolving markets. The Agribusiness Development Corporation established by this measure will monitor the changing local, national and international markets, and based on detailed studies and analyses, advise and assist agricultural producers in anticipating market changes to take advantage of newly identified marketing opportunities or altering production because of shrinking marketing advantages.

The Agribusiness Development Corporation will be the catalyst for the evolution of Hawaii agriculture. The Corporation will assist existing farmers, who are seeking to expand their operations, in obtaining land and conducting marketing studies to determine the viability of crops to avoid conflicts with other producers and to give the farmer advice on the best local, national and international marketing opportunities for success. The Corporation will be able to create joint ventures and other synergistic arrangements for agricultural production. Moreover, by utilizing the concept of a "coordinating entrepreneur," the Corporation will be able to facilitate the creation of operations to produce crops on a large enough scale for national and international markets identified through detailed marketing research. The coordinating entrepreneur can be an existing farmer, a new farmer, or anyone able to function much like a konohiki. The coordinating entrepreneur is the person responsible for organizing and operating the agricultural enterprise. Through "right-to-till agreements" with other farmers, the coordinating entrepreneur will coordinate the production of the farmers for the identified market. Further, the Corporation will be able to assist farmers and coordinating entrepreneurs in obtaining financing based on sound business plans.

Your Committee has amended the bill to provide for staggered terms of its members and that the eight public members of the Board of Directors of the Corporation shall consist of four members selected by the President of the Senate and four members selected by the Speaker of the House. The three ex officio, voting members of the Board shall be the Director of Business, Economic Development, and Tourism; the Chairperson of the Board of Agriculture; and the Chairperson of the Board of Land and Natural Resources. Your Committee has provided that the Board shall annually elect its chairperson who shall not be an ex officio member.

Your Committee has amended provision under the general powers of the Corporation relating to the development of irrigation systems based on the recommendation of the Attorney General.

Your Committee has amended this bill by amending the provisions relating to native Hawaiian rights and entitlements to water, to delete the sentence that reads, "In making any decision affecting water supply for its projects, the Corporation shall assure that adequate water is reserved to support current and foreseeable homestead development under the Hawaiian Homes Commission Act in the areas which could be serviced by the same water source if transmission facilities

were made available". The entitlements under section 221, Hawaiian Homes Commission Act, 1920, are to government-owned water unless privately-owned surplus water is acquired. Leaving this sentence could require reservation of agribusiness project water that is not government-owned and not surplus water.

Your Committee has further amended this bill by deleting paragraph (B) relating to the decisions of the corporation on water rights being subject to water commission approval and replacing it a provision that all water use shall be made in accordance with the State Water Code and other applicable laws.

Your Committee has also amended this bill by amending the provision that the corporation shall develop, promote, assist, and market export crops exclusively to delete the word "exclusively" and provide that the corporation shall develop, promote, assist, and develop export market crops "and other crops approved by the Board of Agriculture." This amendment allows the development of crops for local markets where the great majority of produce is imported. This amendment will enable the replacement of imports with locally-grown crops that are produced by enhancement of local production or the encouragement of new producers in a coordinated manner so that existing local farmers are complemented by new and enhanced production.

Your Committee has amended the bill to require the preparation of a Hawaii agribusiness plan to establish goals, objectives, policies, and priority guidelines for the Corporation's agribusiness development strategy. The Corporation shall include the agribusiness plan in its annual report to the Governor and the Legislature.

Your Committee has further amended this bill by inserting an amendment to exclude irrigation water systems from the definition of "public utility." The definition of "public utility" includes persons conveying, transmitting, or delivering water, without specifying whether the intention of the law is to regulate potable or nonpotable water. Chapter 167, Hawaii Revised Statutes, empowers the Department of Agriculture with the functions and duties for the acquisition, distribution, and transmission of irrigation water. Further, under Chapter 167, the Board of Agriculture may fix and adjust the rates and charges for the furnishing of irrigation water so that the revenues derived from the providing of water shall be sufficient to cover the cost of operation, maintenance, replacement, and capital costs of the system. Agricultural irrigation water systems are more properly regulated by Chapter 167 and should be excluded from public utility regulation.

Your Committee has also included amendments to specify that the projects of the Corporation shall be executed with the written consent of affected landowner and further that the landowner shall give written consent to the establishment of assessment areas for bond financed project facilities.

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3045, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3045, S.D. 2, H.D. 2, C.D. 1.

Representatives M. Ige, Say, Chang, Chumbley and Marumoto,
Managers on the part of the House.

Senators Ikeda, Hagino, Iwase, Holt and Kanno,
Managers on the part of the Senate.

Conf. Com. Rep. 111 on H.B. No. 1731

The purpose of this bill is to extend the provisions of Act 95, Session Laws of Hawaii (SLH) 1987, from July 1, 1995, to July 1, 1999.

By way of background, Act 95, SLH 1987, inter alia, requires an applicant to provide the Real Estate Commission with proof that the applicant has attended ten hours of continuing education or its equivalent prior to the renewal of the applicant's real estate broker or real estate salesperson license.

After careful consideration, your Committee on Conference has amended this bill as follows:

- (1) Requires the Legislative Auditor to evaluate the continuing education program for real estate brokers and salespersons, and submit a report of the findings and recommendations not later than twenty days prior to the convening of the Regular Session of 1995;
- (2) Reinserts the repeal date of July 1, 1995; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity, style and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1731, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1731, S.D. 1, C.D. 1.

Representatives Bunda, Peters and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 112 on H.B. No. 2746

The purpose of this bill, as received by your Committee on Conference, is to provide the State with a clean, safe, and economical alternative energy product that would reduce Hawaii's dependence upon imported petroleum, as well as assist in the revival of the State's agricultural industry by authorizing the issuance of special purpose revenue bonds in a total amount not to exceed \$10,000,000 for the construction of a demonstration fuel-grade ethanol production plant in Hamakua, Hawaii.

Fuel-grade ethanol, which is produced by fermenting agricultural or municipal solid waste by-products, is a clean, safe, and economical alternative to petroleum. Since Hawaii continues to depend almost entirely upon imported petroleum-based fuels to fulfill its transportation and electrical energy needs, ethanol could be an alternative source of energy that would help alleviate the State's dependency on petroleum.

After careful consideration, your Committee has amended this bill by:

- (1) Increasing the bond authorization amount from \$10,000,000, to \$25,000,000;
- (2) Authorizing the demonstration fuel-grade ethanol production plant to be constructed in any appropriate location in the State, including Hamakua, Hawaii, or Kau, Hawaii, or Waialua, Oahu, instead of only Hamakua, Hawaii; and
- (3) Making technical, nonsubstantive revisions for purposes of style, clarity, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2746, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2746, H.D. 2, S.D. 2, C.D. 1.

Representatives Herkes, Chang, Suzuki, Tajiri and Marumoto,
Managers on the part of the House.

Senators Ikeda, Hagino, Matsunaga, Matsuura and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 113 on H.B. No. 2333

The purpose of this bill is to:

- (1) Establish a 15-member Convention Center Neighborhood Advisory Committee appointed by the Governor that will exist until the completion of construction of the center and serve as the liaison between the community and the Convention Center Authority;
- (2) Extend the expiration date of the Convention Center Authority from June 30, 1995, to June 30, 1998; and
- (3) Appropriate \$1 to the Department of Business, Economic Development, and Tourism.

Your Committee finds that the Convention Center Authority should have statutory assurance of its existence in order to allow it to enter into construction agreements and to supervise the construction of the center.

The convention center development process requires participation from residents of the surrounding community, and the authority should provide assurance that it will carefully consider community concerns.

The existing Convention Center Advisory Committee includes, in its membership, representatives from the Ala Moana, Kakaako, McCully, Moiliili, and Waikiki neighborhood boards. The Convention Center Authority has also proposed to add a fifth subcommittee on neighborhood impact. The current arrangements, with the added subcommittee and the numerous meetings and public hearings that the authority will schedule as required by law, will provide more than adequate opportunity for community input in the convention center development process.

Your Committee has revised this bill by:

- (1) Removing the provisions constituting SECTION 1 relating to the creation of the Convention Center Neighborhood Advisory Committee;
- (2) Removing SECTION 3 relating to an appropriation;
- (3) Providing that the act shall take effect upon approval; and
- (4) Making technical, non-substantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2333, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2333, H.D. 2, S.D. 2, C.D. 1.

Representatives Cachola, Say, Chang, Chumbley and Marumoto,
Managers on the part of the House.

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

Conf. Com. Rep. 114 H.B. No. 2344

The purpose of this bill is to ensure funding for the publication of the replacement volumes of the Hawaii Revised Statutes by appropriating funds for fiscal biennium 1993-1995 to:

- (1) Authorize the Legislative Reference Bureau to develop alternative methods of compiling, distributing, and selling the Hawaii Revised Statutes; and
- (2) Require legislative approval by concurrent resolution before the Legislative Reference Bureau can implement any alternative method of compiling, distributing, or selling the Hawaii Revised Statutes.

Upon further consideration, your Committee has amended this measure by requiring the Legislative Reference Bureau to obtain approval from the President of the Senate and Speaker of the House of Representatives, instead of legislative approval by concurrent resolution.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2344, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2344, H.D. 1, S.D. 2, C.D. 1.

Representatives Say, Kanohe and Marumoto,
Managers on the part of the House.

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

Conf. Com. Rep. 115 on H.B. No. 3326

The purpose of this measure is to extend autonomous operation to the remaining four rural hospitals, a medical clinic, and the administrative office of the Division of Community Hospitals of the Department of Health under the autonomy pilot program.

Your Committee finds that Acts 223, 187, and 211, Session Laws of Hawaii 1990, 1992, and 1993 respectively, granted autonomous operation to eight of the thirteen community hospitals in a pilot program. This bill will add the four remaining rural hospitals (Ka'u, Honoka'a, Kohala, and Lanai Community Hospitals), a medical clinic, (Hana Medical Clinic), and the Division of Community Hospitals administrative staff office to the pilot program granting autonomous operation to the community hospitals.

Furthermore, it was understood that the entire community hospitals system is served by only two positions within the Attorney General's office. However, the complex legal and health issues facing all large hospitals require adequate legal support. As a result, it is believed that the hospitals' and the division's autonomous operation would be greatly enhanced by the freedom to engage the services of private legal counsel, especially on the neighbor islands. Moreover, contracting these attorneys through the Office of the Attorney General ensures coordination with the Attorney General.

After careful consideration, your Committee on Conference has decided to amend this bill by:

- (1) Making a technical change that changes the amended section from Section 103D-209, Hawaii Revised Statutes, to Act 8, Special Session Laws of Hawaii, 1993. Act 8 does not take effect and therefore does not become statutory material until July 1, 1994. Therefore, to keep correctness and consistency within the bill, this amendment had to be made; and
- (2) Making other technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3326, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3326, H.D. 2, S.D. 1, C.D. 1.

Representatives Pepper, Say, Morihara and Tanimoto,
Managers on the part of the House.

Senators Ikeda, Holt, B. Kobayashi, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 116 on H.B. No. 3451

Under current law, the Public Utilities Commission regulates public utilities, water carriers, and motor carriers. In addition, the commission oversees their financial situation as well as their performance. Also under current law, the Consumer Advocate represents the interests of customers of public utilities, water carriers, and motor carriers.

The purpose of this bill is to establish a Public Utilities Commission special fund to be used by the commission and the Division of Consumer Advocacy for administrative expenses relating to the regulation of public utilities, water carriers, and motor carriers.

The fund would be established by an increase in the surcharge of one-eighth of one percent of the gross revenues of the public utilities, water carriers, and motor carriers.

Upon consideration, your Committee on Conference has amended the bill by:

- (1) Inserting a new section 2, amending §92-21, to clarify that monies will be deposited in the special fund;
- (2) Renumbering the sections following; and
- (3) Making technical nonsubstantive changes to cross references in the effective date section.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3451, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3451, H.D. 2, S.D. 2, C.D. 1.

Representatives Bunda, Say, Cachola, Chang and Thielen,
Managers on the part of the House.

Senators Ikeda, Baker, Hagino and Matsunaga,
Managers on the part of the Senate.

Conf. Com. Rep. 117 on H.B. No. 3160

The purpose of this bill is to make an emergency appropriation to prevent the reduction or discontinuance of board and board-related payments to children requiring out-of-home care.

Your Committee has agreed to the substantive portion of H.B. No. 3160, H.D. 2, S.D. 1, with the exception of the amount to be appropriated out of the general revenues of the State.

Your Committee has amended this measure by replacing the amount "\$1,162,000" with "\$1,960,353", which the Department of Human Services has indicated as the amount necessary to carry out the purposes of this Act.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3160, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3160, H.D. 2, S.D. 1, C.D. 1.

Representatives Chun, Say, Morihara, Santiago and Ward,
Managers on the part of the House.

Senators Ikeda, Levin, Holt, Nakasato, Solomon and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 118 on H.B. No. 3458

The purpose of this bill is to designate the Deputy Director for Community Hospitals as the Chief Procurement Officer (CPO) for the Division of Community Hospitals in the Department of Health.

Your Committee has amended this bill by repealing the designation of the Community Hospitals CPO on June 30, 1996, to conform to the scheduled repeal date of the pilot hospital autonomy project.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3458, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3458, H.D. 1, S.D. 2, C.D. 1.

Representatives Say, Kawakami, Morihara, Pepper and Ward,
Managers on the part of the House.

Senators Ikeda, Chang, B. Kobayashi, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 119 on H.B. No. 3132

The purpose of this bill is to:

- (1) Establish the Nonpresentment of Warrants and Checks Trust Fund (Fund) to temporarily hold moneys appropriated for the payment of state warrants and checks that are not timely presented for payment; and
- (2) Conform statutory language to include the use of checks which the State will begin issuing instead of warrants as of July 1, 1994.

Your Committee has amended this bill by:

- (1) Establishing a cap of \$500,000 for the Fund and requiring any amount in excess of the cap to be transferred to the general fund;
- (2) Deleting the provision requiring that unexpended and unencumbered balances in the Fund be transferred annually into the general fund;
- (3) Adding an appropriation of \$360,000 to satisfy claims for recovery filed with the comptroller; and
- (4) Amending the effective date to July 1, 1994, providing that section 1 will be repealed on July 1, 1996, and section 40-68 will be reenacted in its form prior to the Act.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3132, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3132, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Kawakami and Marumoto,
Managers on the part of the House.

Senators Ikeda, Hagino, Holt, Iwase and George,
Managers on the part of the Senate.

Conf. Com. Rep. 120 on H.B. No. 3212

The purpose of this bill is to enhance and expand the prerogatives of certain highly qualified licensed nurses and to provide for continued regulation of the nursing profession through a reconstituted Board of Nursing.

Your Committee has recognized that there are certain highly qualified nurses who have achieved an educational level above and beyond that of a registered nurse (RN). Further, your Committee felt that it has become necessary to recognize these advanced practice registered nurses (APRN).

More importantly, it was realized that Chapter 457 which establishes the Board of Nursing was to be repealed on December 31, 1994. Since the Board of Nursing is the body which regulates and licenses nurses, it has become imperative to extend the date of this Chapter.

Therefore, upon further consideration, your Committee has amended this bill by:

- (1) Deleting any language in the bill which references prescriptive authority;
- (2) Inserting a definition of advanced practice registered nurse (APRN); and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, conformity, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3212, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3212, H.D. 1, S.D. 1, C.D. 1.

Representatives Pepper, Bunda, Say, Ishii-Morikami and Thielen,
Managers on the part of the House.

Senators Holt, Kanno and Reed,
Managers on the part of the Senate.

Conf. Com. Rep. 121 on H.B. No. 3333

The purpose of this bill is to appropriate an unspecified amount to repair, remove, replace, or restore homes built in the Panaewa residential lots, units 3 and 4.

Your Committee has amended this bill as follows:

- (1) Directed that any funds recovered from parties involved with the construction or development of the homes in Panaewa are to be deposited into the Hawaiian Home Administration Account (Account);
- (2) Allowed moneys in the Account to be used from July 1, 1994, to July 1, 1995 for:
 - (a) Repair, removal, or replacement of homes; or
 - (b) Direct settlement with homeowners in Panaewa;
- (3) Increased the amount of the appropriation to \$3,000,000; and

- (4) Placed up to \$3,000,000 in funds recovered from the general contractor or other parties into the Hawaiian Home Administration Account, and placed funds recovered above this amount into the general fund, rather than placing the entire amount in the general fund;

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3333, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3333, H.D. 2, S.D. 2, C.D. 1.

Representatives Isbell, Arakaki, Say, Beirne, White and Ward,
Managers on the part of the House.

Senators Ikeda, Chang, Solomon, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 122 on H.B. No. 2605

The purpose of this bill is to create a class of liquor license for brewpubs. Specifically, brewpub licensees are authorized to:

- (1) Manufacture an indefinite number of barrels of malt beverage on the licensee's premises during the license year;
- (2) Sell malt beverages manufactured on the premises for consumption on the premises; and
- (3) Sell malt beverages manufactured on the premises to wholesale dealer licensees.

Your Committee on Conference finds that most of the largest brewpub licensees in the United States manufacture less than four thousand barrels on their own premises. Accordingly, your Committee on Conference believes that limiting brewpub licensees to three thousand barrels manufactured on the premises will not deter entrepreneurs from starting a brewpub business.

Further, your Committee on Conference finds that, although brewpubs attract patrons based on their own unique malt beverage, patrons still want a variety of beverages. Therefore, brewpubs need authorization to sell all intoxicating liquors for consumption on the premises.

Based on these concerns, your Committee on Conference has amended this bill by returning substantially to the provisions of H.B. No. 2605, H.D. 2. The bill is specifically amended to:

- (1) Limit licensees to three thousand barrels manufactured on the premises per license year;
- (2) Allow licensees to sell intoxicating liquor for consumption on the premises; and
- (3) Allow a licensee to sell not more than fifteen percent of a licensee's total production, manufactured by the licensee in brewery-sealed packages to class 3, wholesale dealer licensees; and
- (4) Allow licensees to set up a standard bar or premises in which live entertainment or recorded music is provided.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2605, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2605, H.D. 2, S.D. 2, C.D. 1.

Representatives Morihara, Bunda, Say, Stegmaier and Marumoto,
Managers on the part of the House.

Senators Ikeda, Chang, Solomon, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 123 on H.B. No. 2647

The purpose of this bill is to establish an Environmental Education Clearinghouse and Environmental Education Council (Council) within the Department of Land and Natural Resources (Department) for administrative purposes, and to make an unspecified appropriation to the Department for the same purpose.

Your Committee has amended this bill to conform to the language contained in H.B. No. 2647, H.D. 2, including:

- (1) Deleting mandatory representation of the not-for-profit environmental education community and the community-at-large from the Council;
- (2) Deleting the proviso prohibiting use of revenues for public relations or advertising costs; and
- (3) Appropriating \$25,000 to carry out the purposes of this Act.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2647, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2647, H.D. 2, S.D. 2, C.D. 1.

Representatives Bainum, Say, Morihara, Nekoba and Ward,
Managers on the part of the House.

Senators Ikeda, Chang, Solomon, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 124 on H.B. No. 1609

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 1 cost items, including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 1 for the fiscal biennium 1993-1995.

Your Committee has amended the bill by inserting the actual amounts to be appropriated or authorized to cover the costs of the cost items and salary adjustments for unit 1. In addition, the effective date of this measure has been amended to, upon approval, take effect retroactive to July 1, 1993.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1609, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1609, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Kawakami and Marumoto,
Managers on the part of the House.

Senators Ikeda, Kanno, Holt, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 125 on H.B. No. 1615

The purpose of this bill is to provide fund authorizations and appropriations for the fiscal biennium 1993-1995 for collective bargaining unit 7 cost items, including the cost of salary adjustments negotiated between the State and the bargaining unit's representative.

Your Committee has received a message from the Governor, dated February 15, 1994:

- (1) Stating that additional funding is needed for retroactive payments included in the settlement for a two-year collectively bargained agreement with the exclusive representative of bargaining unit 7; and
- (2) Requesting the Legislature for immediate passage of this bill to ensure retroactive payments.

Your Committee on Conference has amended this bill by:

- (1) Stating that the Governor has requested immediate passage of this measure in accordance with Article VII, Section 9, of the State Constitution;
- (2) Inserting in Section 3 of the bill, the actual amounts to be appropriated or authorized to fund the cost items and salary adjustments pertaining to collective bargaining unit 7; and
- (3) Making technical, nonsubstantive revisions for purposes of style, clarity, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1615, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1615, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Kawakami and Marumoto,
Managers on the part of the House.

Senators Ikeda, Kanno, Holt, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 126 on H.B. No. 1618

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining unit 10 cost items, including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining unit 10 for the fiscal biennium 1993-1995.

Your Committee has amended the bill by inserting the appropriate dollar amounts for fiscal year 1994-1995 for executive and judicial branch employees in collective bargaining unit 10. In addition, the effective date of this measure has been amended to, upon approval, take effect retroactive to July 1, 1993.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1618, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1618, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Kawakami and Marumoto,
Managers on the part of the House.

Senators Ikeda, Kanno, Holt, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 127 on H.B. No. 3630

The purpose of this bill is to change the Hawaiian Sovereignty Advisory Commission from an advisory body to an implementing agency, and to give the renamed Hawaiian Sovereignty Commission additional powers to help implement self-determination for Hawaiians. This bill gives the Hawaiian Sovereignty Commission the authority to oversee a plebiscite on self-determination. In addition, if the plebiscite is approved, this bill provides a process to resolve issues related to the form, structure, and status of a Hawaiian nation.

Your Committee finds that the Commission has evolved into an effective body since its creation in mid-1993. While serving in an advisory capacity to the Legislature, the Commission has been successful in gathering input from a broad range of Hawaiian groups and has begun the process of unifying Hawaiian efforts.

Your Committee further finds that based on the numerous public informational meetings conducted by the Commission, many Hawaiians expressed a need for:

- (1) More information and education on sovereignty before a plebiscite is held;
- (2) A process that is independent of the State; and
- (3) The Commission to continue its work as presently constituted, but not as an advisory body.

After careful consideration, your Committee concurs that the work of the Commission should continue and that it should be given a greater role in determining how to facilitate the efforts of the Hawaiian people to be governed by an indigenous sovereign nation of their own choosing. Accordingly, your Committee has amended this bill by:

- (1) Renaming the "Hawaiian Sovereignty Advisory Commission" to the "Hawaiian Sovereignty Elections Council" ("Council") as set forth in SECTION 4 of this bill;
- (2) Inserting a provision as set forth in SECTION 11 of this bill which clarifies that the individuals who were duly appointed under Act 359, Session Laws of Hawaii 1993, and are serving as members of the Commission on the effective date of this bill shall continue to serve as members of the Council under this measure;
- (3) Inserting a provision in lines 12 through 18 on page 5 as set forth in SECTION 7 of this bill requiring that any vacancy occurring on the Council after July 1, 1994, shall be filled by the Governor from a list of nominees submitted by the Council. If the Governor fails to make an appointment within thirty days of receiving the list, the Council shall make an appointment from the list of nominees. Currently, the Governor fills all vacancies on the Commission; and
- (4) Designating the year "1995" as set forth in SECTION 6 of this bill in which to hold a plebiscite to determine the will of the indigenous Hawaiian people to restore a nation of their own choosing.

To support the Council's operations, the bill has been amended by:

- (1) Amending section 4 of Act 359, Session Laws of Hawaii 1993, as set forth in SECTION 7 of this bill to transfer the Council from the Office of State Planning to the Department of Accounting and General Services; and
- (2) Inserting an appropriation from the general fund in the amount of \$900,000 to be matched by the Office of Hawaiian Affairs' special fund as set forth in SECTION 12 of this bill.

Under this bill, the Council would not only be authorized to continue its work of educating the Hawaiian community, but also to proceed with various election-related tasks including: planning and conducting the plebiscite; carrying out the responsibilities for the conduct of elections and the convening of delegates; providing for an apportionment plan; and establishing the eligibility of convention delegates. In this regard, the Council would be responsible for establishing a process that will enable the Hawaiian people to take another major step towards sovereignty. Your Committee finds that this task should be accomplished within a specific time period. Accordingly, language has been inserted to repeal the provisions of this bill on December 31, 1997, as set forth in SECTION 17 of this bill.

Finally, your Committee has amended this bill by:

- (1) Inserting a provision as set forth in SECTION 13 of this bill which provides that nothing in the bill shall be construed to require the State to expend or appropriate funds beyond those appropriated herein;

- (2) Inserting a provision as set forth in SECTION 14 of this bill which provides that nothing resulting from the Hawaiian convention or the ratification vote on convention proposals shall be interpreted to supersede the laws of the State or counties; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3630, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3630, H.D. 3, S.D. 2, C.D. 1.

Representatives Arakaki, Tom, Say, Apo, Lee and Ward,
Managers on the part of the House.

Senators Ikeda, Chang, Solomon, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 128 on H.B. No. 3135

The purpose of this bill is to appropriate \$872,013 for the development and implementation of a juvenile justice information system, including the establishment of up to seven permanent positions in the Department of the Attorney General to collect, store, disseminate, and analyze juvenile justice data.

Your Committee on Conference has amended this bill to provide funding in the amount of \$600,000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3135, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3135, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Say, Ishii-Morikami, Kawakami and Thielen,
Managers on the part of the House.

Senators Ikeda, Baker, Grauly, Iwase and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 129 on H.B. No. 3506

The purpose of this bill is to appropriate funds to the Honolulu Police Department to support its involvement in the "No Hope in Dope" program.

Your Committee on Conference has amended this bill by inserting an appropriation of \$52,212 for the Department of Public Safety's involvement in the "No Hope in Dope" program.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3506, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3506, H.D. 2, S.D. 2, C.D. 1.

Representatives Tom, Say, Kanoho, Nekoba and Ward,
Managers on the part of the House.

Senators Ikeda, Baker, Grauly, Iwase and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 130 on H.B. No. 1317

The purpose of this bill is to strengthen the time share laws, and to stagger registration renewal requirements.

Upon due consideration, your Committee on Conference has amended this bill by removing its contents and amending it to conform substantively to the content of H.B. No. 1317, H.D. 2. As amended, the bill requires sellers of residential property to provide a description of the condition of the property in writing to the prospective purchaser.

This bill, as amended, differs from H.B. No. 1317, H.D. 2, in the following respects:

- (1) Clarifies that a buyer rescinding a real estate purchase contract based on incomplete or inaccurate disclosure may do so in the same manner provided for in subsections -5(b) and (c);
- (2) Provides that the fact that an occupant of the property was afflicted with acquired immune deficiency syndrome related complex (ARC) or was tested for human immunodeficiency virus (HIV) may be excluded from the Disclosure of Real Property Condition Statement;
- (3) Clarifies that the requirements for disclosure forms, pursuant to section -11, are minimum requirements;
- (4) Deletes the proviso in section -16 which limits an award of administrative fees and costs to those incurred due to arbitration or mediation;

- (5) Increases the penalty for violations to include actual damages to the buyer, attorneys' fees, court costs, administrative fees, and a civil fine of \$1,000 to be paid to the buyer;
- (6) Makes technical, non-substantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1317, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1317, H.D. 2, S.D. 2, C.D. 1.

Representatives Bunda, Tom, Say, Cachola, Ishii-Morikami and Marumoto,
Managers on the part of the House.

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

Conf. Com. Rep. 131 on H.B. No. 2928

The purpose of the bill is to regulate the manufacture and importation of fireworks.

Upon consideration, your Committee has deleted the contents of the measure and substituted a measure which provides for state-wide regulation of the importation, sale, and use of fireworks.

Your Committee finds that the current practice of county regulation of fireworks has been unworkable. Despite increased law enforcement, the recent holidays have seen no reduction in the use of dangerous fireworks.

Your Committee believes that state-wide regulation of fireworks is the only means toward reducing certain forms of fireworks that are a danger to the community.

At the same time, your Committee remains aware of and wishes to accommodate the many persons who enjoy and participate in the traditional use of fireworks.

Therefore, your Committee has amended this bill by:

- (1) Eliminating all of the current language in this bill; and
- (2) Providing a comprehensive scheme to control the use of fireworks, and limiting control by the counties on this issue.

The new chapter set forth in this amended bill provides, in essence, that aerial fireworks and explosive devices exceeding the size and composition of a small firecracker are prohibited except for limited commercial use and public display. The State Fire Council will control the importation and sale of fireworks, while the counties will issue permits for special uses.

Times and dates for use of fireworks by the public are designated; liability for the parents of minors who use fireworks is defined; and various exceptions to the provisions of the act are included. Other provisions relating to fees, permitted use, and other regulatory standards are included.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2928, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2928, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Say, Oshiro, Tajiri and Marumoto,
Managers on the part of the House.

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

Conf. Com. Rep. 132 on H.B. No. 759

The purpose of this bill is to reduce the current payroll costs of state and county government by providing an early retirement incentive to those employees covered under the Employees' Retirement System ("ERS") who meet the requirements of this bill.

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

- (1) Addressing concerns to cut costs in government, with the exception of negatively impacting education in the purpose of this bill;
- (2) Reducing the one-time early retirement bonus from three to two additional years as set forth in SECTION 2 of this bill;

- (3) Clarifying in SECTION 2 of this bill that any member of the ERS who has never been a retiree shall be eligible for the bonus of two additional years of service credit, which shall provide an unreduced benefit; provided that:
 - (A) The member is not employed by the Department of Education (DOE) or University of Hawaii (UH), formally notifies the employing agency by October 1, 1994, files a formal application for retirement not less than 30 days nor more than 90 days before the effective date of retirement, and retires by December 31, 1994; or
 - (B) The member is employed by the DOE or UH, formally notifies the employing agency by October 1, 1994, files a formal application for retirement not less than 30 days nor more than 90 days before the effective date of retirement, and retires on June 30, 1995;
- (4) Providing that the mayor of the respective county, the Board of Education, the Board of Regents (BOR), and the Chief Justice may exercise discretion regarding participation in this program and shall transmit a list of participants to the Board of Trustees of the ERS by November 1, 1994, as set forth in SECTION 2 of this bill;
- (5) Providing that the department heads of the executive branch shall transmit a list of participants to the Board of Trustees of the ERS by November 1, 1994, as set forth in SECTION 2 of this bill;
- (6) Including a provision as set forth in SECTION 3 of this bill that with respect to vacated positions in the UH:
 - (A) 70 percent of the vacated positions may be refilled by the President of UH, with the approval of the Board of Regents; provided that these positions shall be reallocated as necessary to restructure and organize the university to ensure the continued provision of appropriate, direct, student-related services; and
 - (B) 30 percent of the vacated positions shall be held vacant for fiscal year 1995-1996; provided that after June 30, 1996, the President of UH may propose the transfer of vacant positions between divisions, programs, and departments as necessary to fill essential positions, subject to approval by the Legislature through the executive budget;
- (7) Including a provision in SECTION 3 of this bill that with respect to vacated positions in the DOE, 20 percent of the vacated statewide administrative positions shall be eliminated;
- (8) Including a provision in SECTION 3 of this bill requiring the departments to report position reallocations to the Director of Finance, who shall report to the Legislature before the 1996 session;
- (9) Inserting a provision in SECTION 4 of this bill requiring the State and the counties to make separate additional payments to the ERS in amounts required to liquidate the additional actuarial present value of benefits over a 5-year-period beginning July 1, 1997;
- (10) Appropriating \$150,000 for FY 1994-1995 to carry out the purposes of this bill as set forth in SECTION 5 of this bill;
- (11) Changing the effective date to July 1, 1994 as set forth in SECTION 6 of this bill; and
- (12) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 759, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 759, H.D. 2, S.D. 2, C.D. 1.

Representatives Yonamine, Say, Pepper, Suzuki and Ward,
Managers on the part of the House.

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

Conf. Com. Rep. 133 on H.B. No. 1332

The purpose of this bill is to establish a new level of care to be designated as "care IV" for residents of adult residential care homes. This bill also authorizes the use of Medicaid waiver funds to conduct the Maluhia Waitlist Demonstration Project, which discharges certain types of hospital patients into adult residential care homes.

Your Committee has amended this bill by:

- (1) Creating a new category of adult residential care homes or community-based residences rather than a new level of "care IV" for residents of adult residential care homes;
- (2) Revising the provisions relating to rules and qualifying criteria so that they apply to the new category of adult residential care homes or community-based residences rather than to the new level of care IV;
- (3) Including community-based services in the Maluhia Waitlist Project;

- (4) Requiring the project to provide for rather than emphasize specified services;
- (5) Deleting skilled home health care services from the specified services of the project;
- (6) Revising the qualifying criteria;
- (7) Authorizing rather than requiring the transfer of \$1,000,000 from HMS 230 to HMS 601, and adding the condition of obtaining all federal and State waivers;
- (8) Adding a repeal date of June 30, 1996; and
- (9) Making technical, nonsubstantive changes for purposes of style, consistency, and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1332, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1332, H.D. 2, S.D. 2, C.D. 1.

Representatives Chun, Pepper, Kawakami, Nakasone and Tanimoto,
Managers on the part of the House.

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

Conf. Com. Rep. 134 on H.B. No. 3443

The purpose of this bill is to:

- (1) Require the Department of Labor and Industrial Relations (Department) to prepare annual reports on unsafe employment for women; and
- (2) Create a temporary Occupational Safety and Health Training and Assistance Fund consisting of \$200,000 in fines, interest, and penalties, collected for violations of the State Occupational Safety and Health Law, to be used for training programs, health conferences, additional staff, and the preparation of reports.

Your Committee has amended this bill by:

- (1) Changing the focus of the Department's study to health and safety issues of concern to working women, the impacts of those issues on Hawaii, and what steps are being taken to address those concerns;
- (2) Expressly prohibiting use of the Occupational Safety and Health Training Fund to fund any personnel positions; and
- (3) Extending the repeal date for section 2 of this bill from July 1, 1996, to July 1, 1998.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3443, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3443, H.D. 1, S.D. 2, C.D. 1.

Representatives Yonamine, Say, Nakasone, Suzuki and Ward,
Managers on the part of the House.

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

Conf. Com. Rep. 135 on H.B. No. 2221

The purpose of this bill is to establish a Missing Children State Clearinghouse Center as a pilot project to coordinate the efforts of government agencies to locate, recover, and protect missing children and to promote community awareness of the problem of missing children. The bill also creates a trust fund to receive contributions from the public and private sectors to support these purposes.

Your Committee has amended the bill by:

- (1) Removing the substantive language creating the Missing Children State Clearinghouse Center and the Hawaii Missing Children's Clearinghouse Trust Fund from statutes and instead including it only in the Session Laws since these are pilot projects;
- (2) Establishing the trust fund in the Hawaii Justice Foundation rather than the Hawaii Community Foundation;
- (3) Adding an advisory board to be appointed by the Hawaii Justice Foundation to:
 - (a) Solicit funds for the trust fund;

- (b) Establish criteria for the expenditure of funds; and
- (c) Make recommendations for expenditures;
- (4) Adding the requirement that there shall be an endowment component of the trust fund;
- (5) Deleting the requirement that only the income and capital gains earned by investment of the trust fund may be expended;
- (6) Deleting the requirement that income and capital gains earned by investment of the trust fund shall not be used during any period that the value of the fund is less than the aggregate principal sum contributed to the fund;
- (7) Requiring the matching of State appropriations by private contributions by June 30, 1997, rather than by June 30, 1995;
- (8) Adding that the Missing Children State Clearinghouse Center shall receive first consideration for trust fund awards;
- (9) Changing the amount appropriated for a coordinator of the Missing Children State Clearinghouse Center, as well as equipment and supplies, from \$50,504 to \$32,000;
- (10) Changing the amount appropriated for deposit to the Hawaii Missing Children Clearinghouse Trust Fund from \$5,000 to \$1; and
- (11) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2221, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2221, H.D. 2, S.D. 2, C.D. 1.

Representatives Chun, Tom, Say, Santiago and Tanimoto,
Managers on the part of the House.

Senators Ikeda, Baker, Grauly, Iwase and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 136 on H.B. No. 3323

The purpose of this bill is to facilitate the recovery of Medicaid payments from the estates of certain deceased recipients.

This bill facilitates recovery by:

- (1) Discouraging the intentional transfer or divestiture of assets to another within the federal "lookback" period for the sole purpose of becoming eligible for medical assistance by allowing the Director of Human Services (Director) to attribute these assets;
- (2) Allowing the Department of Human Services (Department) (to comply with P.L. 104-66) to place a lien, subject to certain circumstances, against the real property of Medicaid recipients who are inpatients in nursing or intermediate care facilities for the mentally retarded or other medical institutions and who cannot be discharged;
- (3) Making any intentional transfer to qualify for Medicaid a misdemeanor, and treating as prima facie evidence of such a transfer if the transfer was made for less than fair market value within the federal "lookback" period;
- (4) Reducing from age sixty-five to age fifty-five the threshold for the department's filing of liens for recovery of payments; and
- (5) Augmenting the requirement for claimants against a third person or a third person's insurance carrier to notify the Department before the release of any awarded or settlement proceeds.

This bill also requires the Director to adopt rules to consider issuing conditional certificates of release in cases of extreme hardship.

Your Committee on Conference has amended this bill by:

- (1) Retaining and amending Section 346-29(7), Hawaii Revised Statutes (HRS), which prohibits considering as income or resources, any payment for services to, or any benefit received by, a participant of the JOBS program rather than the workfare program, which has been repealed;
- (2) Requiring an attorney representing a client to make reasonable inquiry as to whether the claimant has received or is receiving medical assistance; and

- (3) Requiring that, upon obtaining a judgment or reaching a settlement, but before the release of any award or settlement proceeds, the Department be notified by:
 - (a) The claimant's attorney, if the attorney has received actual notice from the Department of a lien or if the attorney has reason to know that a lien exists; or
 - (b) The claimant or the claimant's heirs, representatives, or beneficiaries, if not represented by an attorney who has received actual notice of the lien;
- (4) Deleting section 6 of the bill which would have amended Section 346-37(i), HRS; and
- (5) Adding a disclaimer that this Act shall apply only to settlements and judgments which occur after the effective date.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3323, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3323, S.D. 2, C.D. 1.

Representatives Chun, Tom, Say, White and Ward,
Managers on the part of the House.

Senators Ikeda, Holt, Levin, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 137 on H.B. No. 2284

The purpose of this bill is to prohibit an agency from implementing a new program until the agency demonstrates that the new program is an appropriate function of state government and that it can be implemented by the public sector as cost-effectively as by the private sector while meeting the same goals and conditions of employment.

Your Committee has amended this measure by deleting section 1 which would have established the program implementation provisions in a new part. Section 2 establishes these provisions by amending section 37-68 relating to the responsibilities of agencies.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2284, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2284, S.D. 2, C.D. 1.

Representatives Say, Suzuki and Ward,
Managers on the part of the House.

Senators Ikeda, Chang, Kanno, Solomon, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 138 on H.B. No. 3300

The purpose of this bill is to add three new parts to the State's procurement code relating to preferences for Hawaii products; federal and state surplus property; and inventory management.

Your Committee has amended this measure by:

- (1) Deleting the provision requiring the Hawaii software service center to develop and make public a list of state agencies requesting software development services;
- (2) Deleting the provision requiring that bid security must be equal to five per cent of the amount of the bid and leaving the language that it must be at least five per cent of the amount of the bid;
- (3) Deleting the provision establishing a procedure whereby a person who furnished labor and materials to a subcontractor can proceed against the contractor's performance bond for the subcontractor's failure to pay the person in full for the labor and materials;
- (4) Deleting the exemption from the State Procurement Code for the selection of provider agencies to operate and manage state-owned homeless facilities;
- (5) Deleting the exemption from the State Procurement Code for the selection of provider agencies to receive homeless shelter stipends; and
- (6) Making technical nonsubstantive changes for purposes of style, clarity, consistency and to correct drafting errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3300, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3300, H.D. 1, S.D. 2, C.D. 1.

Representatives Say, Chang, Nakasone and Marumoto,
Managers on the part of the House.

Senators Ikeda, Chang, Solomon, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 139 on H.B. No. 2780

The purpose of this bill is to provide supplemental appropriations for the Office of Hawaiian Affairs (OHA) by amending OHA's biennial budget (Act 276, Session Laws of Hawaii 1993).

In the past, the Legislature has raised concerns over OHA's ability to develop a budget which was accurate, consistent, and fiscally prudent. Therefore, your Committee is pleased to note that general improvements have been made this year in OHA's development of its supplemental budget request.

However, your Committee continues to be concerned about OHA's treatment of its special funds. In reviewing the budget request, certain discrepancies and inconsistencies in the use of these special funds were evident. While OHA maintains that their operational expenses must be equally funded with general funds and special funds to serve both Native Hawaiian and Hawaiian constituents, OHA does not adhere to this practice. Rather, OHA has used special funds at their discretion to increase staff, expand office space leased, and increase salaries for their employees.

Upon discussing these issues with OHA, it has become apparent that no clear policy or guidelines have been established in the use of special funds. Thus, it is unclear at this time which areas should appropriately be funded solely with special funds and which areas should appropriately be funded equally with special funds and general funds. Without these guidelines, a consistent, cohesive budget cannot be developed.

Your Committee is cognizant of the fact that many of OHA's budgetary problems have been long standing and will take considerable time and effort to resolve. Compounding this is the fact that OHA is in a period of great change. OHA is no longer a minor state agency. The recent settlement of back payments of ceded land revenues has significantly altered the size and complexity of the Office. OHA is now a major organization with substantial resources to use at its discretion.

In addition, a new administrator has recently taken over the helm of OHA. With the new administration, it is inevitable that OHA will undergo significant operational and organizational changes.

The new administrator's responsibilities are formidable as he must grapple with rectifying OHA's long standing problems while simultaneously guiding OHA through this important transition period. Your Committee encourages the administrator to make the budget preparation process a priority so that for the fiscal biennium 1995-1997, a budget is developed which is fiscally prudent and responsible.

Aside from the noted concerns regarding OHA's budget, your Committee is keenly aware that economic conditions dictate that all budget requests be reviewed in a fiscally responsible manner. Although the recent council on revenues report released in March 1994 projected slight increases in the state revenues, the economic outlook continues to remain uncertain. Equally uncertain are future costs for critical items which the State must fund. If efforts are not made at this time to curtail general fund expenditures, the State's financial integrity may be compromised. It is in light of this situation that your Committee has reviewed the supplemental budget request submitted by OHA.

Despite the uncertainty of the present economic situation, your Committee acknowledges that OHA provides many important programs for the native Hawaiian and Hawaiian community and is therefore committed to continue funding these programs through fiscal year 1995. The budget developed by your Committee maintains funding levels for noteworthy projects such as the Waianae Diet program in the health and human services division; the Operation Ohana project, which has been centralized with the planning and research office; the voter registration program (Hui Ho'ala) in the government affairs office; Operation Blue Print in the land and natural resources division; the community based economic development projects and the management and technical assistance services provided by the economic development division; the scholarship program, the tutorial program, and the Center for Gifted Native Hawaiian Children (Na Pua No'eau) in the education division; and the self-help housing project within the housing division.

In addition to maintaining current programs, the budget restores funding for OHA's evaluation program. This program is essential in order for OHA to determine which activities should be expanded, modified, or eliminated and enables OHA to develop and maintain effective and worthwhile programs.

Your Committee has also provided additional funding which will allow OHA to continue their involvement in the nine hundred ninety-nine year homestead lease program. In their analysis of the lease program, OHA recommended that informational workshops be conducted with the affected lessees, and that mediation sessions be offered in order to resolve potential disputes.

SUMMARY

Your Committee has carefully considered the budget requests of OHA and has sought to ensure that critical programs were maintained for fiscal year 1995. Although your Committee was unable to fund any expansion of services and programs, your Committee believes that the current funding is sufficient and will enable OHA to meet their program objectives.

Your Committee has also amended this bill by correcting several technical errors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2780, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2780, H.D. 2, S.D. 1, C.D. 1.

Representatives Say, Alcon, Chang, Kanoho, Kawakami, Morihara, Nakasone, Nekoba, Pepper, Santiago, Suzuki, Tajiri, Tam, Marumoto and Ward,
Managers on the part of the House.

Senators Ikeda, Fukunaga, Hagino, Holt, Iwase, Kanno, Levin, McCartney, Fernandes-Salling, Solomon, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 140 on H.B. No. 2990

FINANCIAL AND BUDGETARY OVERVIEW

Hawaii entered the 1990's with an increased awareness of the need for fiscal restraint. For two consecutive fiscal bienniums, your Committee has had to contend with an uncertain economic future and revenue shortfall. The realities of limited financial resources have compelled your Committee to reduce the Judiciary Supplemental Budget Request while trying to maintain maximum government service.

The Budget that your Committee developed is a responsible one. We planned for the future by controlling government growth and spending so that the State can live within its means now and most importantly will continue to be able to do so over the next few years. It was with this fiscal framework that your Committee faced the challenge of developing a financially responsible Budget. Your Committee acknowledges that Hawaii is facing and will continue to face major financial challenges requiring innovative responses, cutbacks in funding, and scaling back of programs to ensure the State's fiscal solvency.

COMMITTEE DELIBERATIONS

In developing the Judiciary budget, your Committee appropriated funds necessary for the Judiciary to meet its current program and operational requirements. After this examination, your Committee based its funding decisions on several factors:

- (1) The premise of zero growth for all programs;
- (2) A review of other information requested from the Judiciary;
- (3) A historical review of the Judiciary's spending trends; and
- (4) The impact of prior budget reductions in previous years.

After much analysis, your Committee concurred that an additional \$823,142 in general funds be appropriated to the Judiciary Supplemental Budget. Funds for the Intermediate Courts of Appeal and Driving Under the Influence judgeships were authorized in an attempt to address the continual backlog which exists in both areas. Several temporary positions were deemed essential and therefore converted to permanent positions with the goal of providing better adjudication to the public sector. In addition, \$375,000 was allocated to provide purchases of service for both the Domestic Violence Clearinghouse and the Family Visitation Center.

CONCERNS

In 1974, the Legislature granted the Judiciary autonomy to manage its budget. With the removal of executive controls, the Judiciary gained budgetary independence with the clear expectation that comprehensive plans, sound controls, and fiscal accountability would be developed and implemented. After reviewing this year's budget request, your Committee was disappointed once again by the Judiciary's lack of sound fiscal management, poor budget planning and justification, and little or nonexistent execution of budget policies mandated by the Legislature. Responsible budgeting focuses management's attention on carefully contemplated goals and objectives and the determination of resources needed to achieve these goals and objectives.

Your Committee recommends the development of spending plans with stricter controls that utilize limited resources in a more effective and efficient manner. Budgeting should control, integrate, and guide the activities of an organization for purposes of financial and program decision-making. At the same time, your Committee recognizes that as the demand for government services increases, the Judiciary will be compelled to exercise fiscal responsibility - responsibility that dictates the identification of innovative ways to maximize the return on State investment through increased productivity and the efficient delivery of public services.

Your Committee expects the Judiciary to develop, communicate, and execute operational expenditure plans before the 1994-1995 fiscal year commences. These plans should be strictly controlled, communicated to all those involved, and be accountable to the Legislature.

SUMMARY

Your Committee believes that this Budget provides a responsible allocation of limited resources to the Judiciary. Your Committee believes that this Budget balances the need for fiscal restraint while maintaining an independent state judicial system that is accountable to the public.

Finally, your Committee urges the Judiciary, along with other State agencies, to take a cautious and fiscally conservative approach regarding future expenditures and program expansions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2990, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2990, H.D. 2, S.D. 1, C.D. 1.

Representatives Say, Alcon, Chang, Kanoho, Kawakami, Morihara, Nakasone, Nekoba, Pepper, Santiago, Suzuki, Tajiri, Tam, Marumoto and Ward,
Managers on the part of the House.

Senators Ikeda, Fukunaga, Hagino, Holt, Iwase, Kanno, Levin, McCartney, Fernandes-Salling, Solomon, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 141 on H.B. No. 2500

The purpose of this bill is to provide supplemental appropriations for the Executive Branch by amending the General Appropriations Act of 1993 (Act 289, Session Laws of Hawaii 1993).

FINANCIAL AND BUDGETARY OVERVIEW

For Hawaii, the 1990's have been marked by an uncertain economic outlook and harsh realities of limited financial resources. National and international socioeconomic trends continue to strain the financial structure of our state economy. At the same time, the need for state services by the people of Hawaii has not decreased. Your Committee recognizes these facts and has carefully considered the State's dilemma to strike a balance between the necessity of fiscal responsibility and our obligation to serve the people of Hawaii.

When the Executive, Judiciary, and Office of Hawaiian Affairs (OHA) Budgets for the 1993-1995 fiscal biennium were developed, your Committee was encumbered by financial woes triggered by the Persian Gulf War, the national recession, and changes in Japanese business investment policies, all of which led to a downturn in the tourism industry. This year, although the national economy appears to be rebounding and the State Council on Revenues recently revised its projections upward for fiscal biennium 1993-1995, your Committee felt constrained by the continuing uncertainty of Hawaii's economic future. This year's Supplemental Budgets remain burdened by the same problems as in 1993, which are compounded by the plight of the sugar industry, growing economic distress in Japan, reductions in federal military support, and the potential effects of the federal tax increases approved in August 1993.

It was within this context that your Committee faced the challenge of developing a financially responsible budget. The goal of your Committee was to develop an essentially zero-growth budget that controlled state spending while providing essential services and meeting important needs.

After carefully reviewing the supplemental requests proposed by the Governor, your Committee took on the arduous task of reviewing in-depth the operations of the state government. Unlike past Supplemental Budget years, the members of your Committee reviewed the base appropriations as well. This was done to find new areas where operating costs could be reduced to streamline government to meet our zero-growth budget goal.

PRIORITIES: EDUCATION

Education is critical to Hawaii's future. Our educational system must not only produce individuals capable of executing basic skills, but prepare them to adapt and respond to the changing needs and demands of today's global economy and diverse society. Therefore, despite our fiscal woes, your Committee made every attempt to assist our students and the public schools.

Your Committee focused on improving school facilities to revitalize Hawaii's schools and to inspire students to pursue a lifetime of learning. An additional \$2,800,000 was appropriated to purchase equipment, textbooks, musical equipment, and supplies for new facilities. \$165,000 was appropriated for the equipment, supplies, and other expenses for the 50 currently unfunded Parent-Community Network Centers. Recognizing that innovative solutions often begin in the schools, your Committee provided \$250,000 for the first high school to adopt School-Community Based Management (SCBM).

The physical condition of our school facilities is critical to learning. However, school construction must be cost-effective. It is not only necessary to build more school facilities to meet Hawaii's growing needs, but we must rethink and redesign the way we build and maintain schools.

Although the Legislature created the Educational Facilities Improvement Special Fund to provide \$90,000,000 annually for the construction of new school facilities, the Department of Education (DOE) has been able to spend less than \$55,000,000 a year, resulting in over \$200,000,000 in unspent funds. To relieve this bottleneck, your Committee has, therefore, reprioritized the usage of these funds by eliminating \$36,550,000 from previously proposed appropriations that would otherwise remain unused during the 1993-1995 fiscal biennium. Instead of approving these capital improvement projects (CIP) and leaving the funds unspent while schools' needs continue to rise, your Committee has redirected these funds to other projects that require immediate funding. In this way, your Committee seeks to provide the best possible facilities for Hawaii's students in a timely and efficient manner.

Your Committee recognizes that increasing DOE and school fiscal autonomy will require greater accountability if lump sum budgeting is to significantly improve our schools. This requires easier access to more information, so that policy makers can make effective decisions. To fulfill this need, the DOE developed the Data Warehouse Information System--a database capable of accessing and analyzing a wide variety of information ranging from school financing to student performance and more. Your Committee has appropriated \$50,000 toward the development and improvement of this system, which will be an effective tool toward developing programs and policies to improve school performance and, thus, play a role in shaping the future of our schools.

Such initiatives by the DOE are viewed by the Committee as necessary innovations to improve the efficiency and effectiveness of our educational system. Technology will continue to play a key role in revolutionizing the relationships between the DOE, our schools, and the Legislature. The development of such databases will allow rapid responses by policy makers to the changing environment and will provide subjects for meaningful and productive dialogue among all the partners in our most important endeavor.

PRIORITIES: THE ECONOMY

By all indicators, 1994 will be another difficult year for Hawaii's economy. Despite positive economic news from the U.S. mainland, we will once again face another uphill struggle to regain a more stable and healthy revenue base. With this in mind, we will need to labor hard to strengthen our economy and maintain our special quality of life.

However, as the national economy improves, our tourist industry is expected to attract more visitors from the U.S. mainland. The downturn in the tourism industry for the past three years vividly illustrates the need for the State to diversify its tourism base and improve marketing programs. To further diversify Hawaii's visitor base, your Committee has appropriated \$100,000 to develop a plan to promote ecotourism in Hawaii. To compete successfully against other vacation destinations, your Committee has provided \$5,000,000 for the Hawaii Visitor's Bureau to increase its advertising, public relations, promotion, and marketing campaigns to bolster Hawaii's tourist industry.

For these efforts to succeed, your Committee realizes that Hawaii's competitive edge in this volatile industry lies in our people and our culture. To this end, a task force was established to investigate ways to preserve, foster, and promote the Aloha Spirit among the people of Hawaii. Furthermore, to ensure that residents, as well as visitors, enjoy a clean and healthy environment, programs such as the Natural Area Partnership Program, which is dedicated to conserving Hawaii's resources through the cooperative management of private lands, were supported to maintain and enhance our State's unique landscape.

PRIORITIES: HUMAN SERVICES

While trying to maintain a conservative approach to the Budget, your Committee could not neglect the needs of the State's residents. In response to the stagnant economy, the welfare population has increased dramatically over the current fiscal year with more enrollees expected for the next fiscal year. In response to the hardship expected for Hawaii's people, your Committee approved an additional supplemental appropriation of \$14,000,000 for the Aid to Families with Dependent Children Program, as well as an additional \$5,400,000 for the General Assistance Program.

Your Committee has also recognized the escalating costs of Medicaid. Approximately \$78,000,000 would have been needed in the next biennium if steps were not taken to contain these costs. Your Committee, therefore, approved the Department of Human Services' transfer of positions and funds to implement the statewide Health QUEST program. This program would combine the General Assistance, Aid to Families with Dependent Children, and the State Health Insurance Plan populations under one managed care system. By implementing this project, the federal government will match state funds for all recipients. Over the next five years, the State could save over \$400,000,000 by managing health care costs rather than paying straight Medicaid benefits.

The Department of Human Services has realized the need to invest in Hawaii's future. That future lies in its people. Helping individuals achieve financial independence from welfare has been the goal of the Department through its JOBS program. Your Committee has recognized the Department's approach in offering long-term solutions rather than quick, short-term solutions that do more harm in the long run. With this in mind, your Committee has appropriated an additional \$906,697 to the Department to implement JOBSWORKS!, a new program that helps those waiting to be enrolled into the JOBS program find immediate employment. Such a unit will help recipients acquire skills necessary for personal growth and independence.

Your Committee also recognizes the State's commitment to address rising incidents of child abuse and neglect. Your Committee approved continued funding in the amount of \$4,800,000 for the Families Together Initiative within the Child Welfare Services Program.

PRIORITIES: HEALTH

Health services for children and adolescents received primary consideration. In an effort to take a long-term comprehensive approach, your Committee provided needed services to help alleviate the social and financial costs of treatment once more serious illness has set in. Pursuant to these goals, your Committee approved \$1,500,000 for the Healthy Start Program to prevent child neglect and abuse. To aid adolescents in need of mental health treatment, \$2,000,000 was appropriated to fund a new residential treatment facility. In addition, \$4,600,000 was approved to provide mental health services to children in public schools. To improve health services to our teenagers, your Committee appropriated \$500,000 to establish permanent funding for school-based health clinics.

Your Committee wishes to express its continued support for all initiatives enhancing the health delivery and regulatory systems of the Department of Health. Your Committee will also continue to provide assistance in identifying both existing and future health care needs.

CONCERNS

In these changing times, we must be effective and efficient managers, responsive to public needs. Your Committee has worked to help streamline government and use its resources more efficiently. Through this bill and others, we will:

- (1) Call for the increased utilization of existing special funds rather than an increase in general fund expenditures;
- (2) Eliminate vacant and unnecessary positions through layoffs, cutting positions, and implementing reforms to increase efficiency and responsiveness at all levels;
- (3) Require each state department to carefully examine their operations and execute programs aimed at evaluating and assessing all operations to identify and create ways to increase efficiency, contain costs, operate within projected revenues, and save taxpayer dollars; and
- (4) Act cautiously in authorizing general obligation bond financing and conserving general obligation credit to meet future needs.

CONCLUSION

To ensure the fiscal integrity of the State, while still remaining responsive to the needs of the people of Hawaii, your Committee carefully deliberated on this Supplemental Executive Budget bill as well as others that affect state finances. In these uncertain fiscal times, your Committee must act responsibly to meet a wide range of pressing community needs and concerns.

This Budget, which your Committee has developed, is a sound and responsible one. We looked to the future by controlling growth of government and spending so that the State can live within its means now and in the future. Your Committee made some tough choices to "rightsize" State government and use our limited resources more efficiently and effectively.

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

Representatives Say, Alcon, Chang, Kanoho, Kawakami, Morihara, Nakasone, Nekoba, Pepper, Santiago, Suzuki, Tajiri, Tam, Marumoto and Ward,
Managers on the part of the House.

Senators Ikeda, Fukunaga, Hagino, Holt, Iwase, Kanno, Levin, McCartney, Fernandes-Salling, Solomon, Tanaka and George,
Managers on the part of the Senate.

Conf. Com. Rep. 142 on H.B. No. 3144

The purpose of this bill is to fund salary increases and other cost adjustments for fiscal biennium 1993-1995 for executive and judicial officers and employees excluded from collective bargaining.

Section 89C-2, Hawaii Revised Statutes (HRS), provides that the compensation, terms, and conditions of employment and other benefits for public officers and employees who are excluded from collective bargaining shall be adjusted by the chief executive of the State, the Board of Education, the Board of Regents, or the Chief Justice, as applicable. Further, section 89C-5, HRS, stipulates that any adjustments that constitute cost items shall be subject to appropriation by the Legislature.

Your Committee has received a message from the Governor, dated February 15, 1994:

- (1) Stating that additional funding is needed for retroactive payments to adjust the salary and cost adjustments for certain excluded officers and employees to maintain parity with those employees in collective bargaining unit 7 who agreed to a two-year agreement; and
- (2) Requesting the Legislature for immediate passage of this bill to ensure retroactive payments.

Your Committee has amended this bill by:

- (1) Stating that the Governor has requested immediate passage of this measure in accordance with Article VII, Section 9, of the State Constitution;
- (2) Inserting in section 2 of the bill the actual amount to be appropriated or authorized to fund the cost items and salary adjustments pertaining to state officers and employees excluded from collective bargaining (Program Planning, Analysis, and Budgeting (BUF 101));

- (3) Inserting in section 4 of the bill the actual amount to be appropriated or authorized to fund the cost items and salary adjustments pertaining to officers and employees of the Judiciary who are excluded from collective bargaining (Administrative Director Services (JUD 201));
- (4) Inserting in section 8 of the bill the actual amount to be appropriated or authorized to fund the salary increases and other cost adjustments for officers and employees of the Office of the Auditor, the Ethics Commission, the Legislative Reference Bureau, and the Ombudsman;
- (5) Changing the effective date to, upon approval, take effect retroactive to July 1, 1993; and
- (6) Making technical, nonsubstantive revisions for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3144, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3144, S.D. 2, C.D. 1.

Representatives Say, Kawakami and Marumoto,
Managers on the part of the House.

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

Conf. Com. Rep. 143 on H.B. No. 2730

The purpose of this bill, as received by your Committee on Conference, is to ensure improved public participation in the legislative process.

This bill proposes to accomplish this by:

- (1) Making the Public Access Room (Room) a permanent feature within the Legislature;
- (2) Requiring the Director of Commerce and Consumer Affairs (Director) to collect the full percentage authorized by the Federal Communications Act of 1934, as amended, from the fees paid by cable operators that operate a cable franchise in counties with a population of two hundred thousand or more, and require that these fees which are not specifically earmarked for other services be used to fund legislative access initiatives;
- (3) Appropriating funds to provide television broadcasts of the Regular Session of 1995;
- (4) Appropriating \$3,930,000, for the installation of equipment such as cameras, cables, and control panels as part of the State Capitol renovation program; and
- (5) Appropriating funds for the staffing, operating, and equipping of the Room.

During the Regular Session of 1989, the Legislature passed one of the most farsighted bills passed by any state Legislature. Act 331, Session Laws of Hawaii 1989, provided a means for the citizenry of Hawaii to interact with legislators in the legislative process. Your Committee on Conference believes that any steps that the Legislature can take to improve and increase the public's participation in the legislative process is essential and thus should be taken.

After careful consideration, your Committee on Conference has amended this bill by:

- (1) Changing the title of the proposed new chapter from "State Capitol Public Access Room" to "Public Access", to conform it to the title of the bill;
- (2) Deleting the section of the bill that would have appropriated funds to install equipment such as cameras, cables, and control panels as part of the State Capitol renovation program;
- (3) Inserting the actual amounts to be appropriated for providing cable television broadcasts for the 1995 Regular Session and for the staffing, operating, and equipping of the Room;
- (4) Deleting language that provided for the repeal of the cable operator fee provision and its subsequent reenactment; and
- (5) Making technical, nonsubstantive revisions for purposes of style, clarity, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2730, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2730, H.D. 1, S.D. 2, C.D. 1.

Representatives Kanohe, Say, Ihara, Young and Ward,
Managers on the part of the House.

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

Conf. Com. Rep. 144 on H.B. No. 3513

The purpose of this bill, as received by your Committee on Conference, is to allow the State Auditor (Auditor) to concentrate its limited resources on activities that would be most consistent with its primary mission of auditing all state agencies.

This bill proposes to accomplish this by:

- (1) Clarifying in Section 91-1, Hawaii Revised Statutes, (HRS) as set forth in SECTION 1 of this bill that the Auditor, in conducting postaudits, to the extent practicable and applicable to the audit scope and objectives, review and assess the audited agency's rules pursuant to law;
- (2) Repealing Section 23-4(c), HRS, as set forth in SECTION 1 of this bill which requires the Auditor to maintain and keep current a compilation of all rules adopted pursuant to Chapter 91, HRS;
- (3) Modifying the "sunset" evaluation process in Section 26H-4, HRS, as set forth in SECTION 3 of this bill by:
 - (a) Repealing the existing schedule for repealing regulatory programs;
 - (b) Requiring any new regulatory program to be repealed at the end of the third full calendar year following the program's enactment; and
 - (c) Requiring the Auditor to evaluate the new programs prior to each program's repeal date;
- (4) Inserting language in Section 26H-5, HRS, as set forth in SECTION 4 of this bill to clarify that the Auditor is not required to automatically evaluate any board, commission, or regulatory program; provided that this does not prevent the Auditor from conducting an evaluation of a board, commission, or regulatory program at the specific request or direction of the Legislature;
- (5) Inserting language in Section 91-4.1, HRS, as set forth in SECTION 5 of this bill requiring each state agency to maintain a file of its rules in the Ramseyer format, and make the file available for public inspection and copying at a reasonable cost;
- (6) Repealing Section 91-4.1(b), HRS, as set forth in SECTION 5 of this bill requiring the Auditor to review each rule and rule amendment submitted by a state agency to determine if the rule or amendment violates the substantive authority under which the rule or amendment was adopted;
- (7) Repealing Part IV of Chapter 23, HRS, that requires the adoption of a concurrent resolution requesting the Auditor to prepare and submit to the Legislature a report that assesses both the social and financial effects of proposed mandated health insurance coverage, before any legislative measure that mandates health insurance coverage can be considered; and
- (8) Repealing Section 26H-8, HRS, as set forth in SECTION 8 of this bill providing for the reenactment of regulatory programs repealed in accordance with the "sunset" evaluation process.

Presently, the Auditor is required to evaluate each regulatory program prior to the program's repeal date, and recommend to the Legislature whether the health, safety, and welfare of the public are best served by reenactment, modification, or repeal. These evaluations consume a disproportionate amount of the Auditor's limited resources, especially considering that the Department of Commerce and Consumer Affairs, the agency that administers these programs, has dramatically improved its operations.

With respect to the law that requires the Auditor to assess the social and financial impacts of mandated health care coverage, your Committee on Conference finds that this law was enacted to provide the Legislature with an objective assessment of the potential effects of proposed mandated health insurance. It was also intended to allow a significant amount of time to pass, during which legislators, health insurance companies, health care providers, and the public, could more thoroughly review and discuss the potential impact of proposed mandated health insurance. This objective assessment is necessary, especially at this time, as health care costs are increasing at an alarming rate, increasing the cost of doing business in Hawaii.

After careful consideration, your Committee on Conference has amended this bill by:

- (1) Restoring Part IV of Chapter 23, HRS, which requires that the Auditor assess the social and financial impacts of mandated health care coverage;
- (2) Amending Section 91-13.1, HRS, as set forth in SECTION 7 of this bill to clarify that if a board or commission subject to the jurisdiction of the Department of Commerce and Consumer Affairs, denies or refuses to issue a license or certificate, the aggrieved person has sixty days from the date of refusal or denial to submit a request for a contested case hearing;
- (3) Inserting an appropriation of \$200,000 as set forth in SECTION 9 of this bill for the Auditor to carry out the purposes of this bill; and
- (4) Making technical, nonsubstantive revisions for purposes of style, clarity, and conformity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3513, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3513, H.D. 3, S.D. 2, C.D. 1.

Representatives Kanoho, Bunda, Say, Apo and Ward,
Managers on the part of the House.

Senators Ikeda, Aki, Fukunaga, Holt and George,
Managers on the part of the Senate.

Conf. Com. Rep. 145 on H.B. No. 3600

The purpose of this bill is to address the housing needs of people affected by the closure of the Hamakua Sugar Company and the C. Brewer and Company sugar operations on the island of Hawaii by:

- (1) Providing an emergency loan program that will provide temporary assistance to families who, as a result of plantation closure, require assistance to make mortgage payments on their homes; and
- (2) Developing a grant program to address administrative, maintenance, and critical infrastructure improvement costs to ensure the continued operation of Hamakua Sugar Plantation Camp housing units.

Your Committee has amended this bill by:

- (1) Revising the stated purpose of this bill as set forth in SECTION 1, by referring to the target group as those "who will be in danger of losing their homes and shelter" rather than those "who will be losing their jobs";
- (2) Directing the Housing Finance and Development Corporation to develop as part of the grant program a "special rental subsidy program" rather than a "mechanism to provide rental subsidies," as set forth in SECTION 2 of this bill;
- (3) Specifying that the special rental subsidy program will be used for "employees, employees in transition, and retirees who are currently residing in plantation housing" rather than "renters that may require financial assistance" as set forth in SECTION 2 of this bill;
- (4) Changing the appropriation amount as set forth in SECTION 2 of this bill from \$800,000 to \$600,000 for the low-interest loan program;
- (5) Changing the appropriation amount as set forth in SECTION 3 of this bill from \$800,000 to \$600,000 for the grant program;
- (6) Inserting a provision as set forth in SECTION 5 of this bill requiring the Housing Finance and Development Corporation to submit a report to the Legislature of the use of funds appropriated in Section 58, Act 289, Session Laws of Hawaii 1993, not later than twenty days prior to the convening of the regular session; and
- (7) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3600, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3600, H.D. 1, S.D. 2, C.D. 1.

Representatives Isbell, Say, Kawakami, White and Tanimoto,
Managers on the part of the House.

Senators Ikeda, Baker, Holt, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 146 on H.B. No. 1241

The purpose of this bill is to:

- (1) Delete ten deputy director positions and the administrative assistant to the Superintendent position; and
- (2) Establish an administrative assistant to the State Librarian position;

as of January 1, 1995.

Upon further consideration, your Committee has amended the bill by deleting the substance and inserting new material to provide fund authorizations and appropriations for collective bargaining units 3, 4, and 13 cost items including the cost of salary adjustments negotiated between the public employers and the exclusive representative of bargaining units 3, 4, and 13 for the fiscal biennium 1993-1995.

In addition, the effective date of this measure has been amended to, upon approval, take effect retroactive to July 1, 1993.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1241, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1241, H.D. 2, S.D. 2, C.D. 1.

Representatives Say, Yonamine, Alcon, Chang and Ward,
Managers on the part of the House.

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

Conf. Com. Rep. 147 on H.B. No. 3456

The purpose of this bill is to augment the autonomous operation of Maui Memorial Hospital, Hilo Hospital, and Kona Hospital and the community hospital system, by providing permanent fiscal flexibility to the Division of Community Hospitals.

Your Committee notes that the pilot project to foster the autonomous operation of the community hospitals has contributed effectively to expediting and improving the delivery of health care services by Hawaii's public hospital system. Given the projects success, your Committee believes that increased fiscal flexibility to the Division of Community Hospitals is warranted.

After careful consideration, your Committee has amended this bill by:

- (1) Adding language that gives the Division the ability to decrease rates, rents, fees, or charges or establish rates for new medical services without regard to Chapter 91, Hawaii Revised Statutes. However, a provision has also been added to allow review of the proposed rates by the division with an appropriate body including representation from health benefit plans;
- (2) Inserting language that allows the Division of Community Hospitals to purchase data processing and telecommunications equipment without the review and approval of the Director of Finance provided that the total does not exceed \$25,000 per year per facility; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3456, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3456, H.D. 2, S.D. 2, C.D. 1.

Representatives Pepper, Say, Morihara and Ward,
Managers on the part of the House.

Senators Ikeda, Chang, B. Kobayashi, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 148 on H.B. No. 3324

The purpose of this bill is to exempt Maui Memorial Hospital and Hilo Hospital from the competitive bidding requirements of Chapters 103 and 103D, Hawaii Revised Statutes.

Your Committee finds that significant benefits have been achieved by the Division of Community Hospitals' Pilot Autonomy Program. Included in this program are Maui Memorial Hospital and Hilo Hospital. Further, it has been claimed that by removing the competitive bidding requirements faced by the community hospitals, the purchase of medical equipment and other supplies by the community hospitals can be done quickly and can reduce administrative time and overhead.

After careful consideration, your Committee on Conference has amended this bill by:

- (1) Reinserting language that exempts Hilo Hospital and Maui Memorial Hospital from the reimbursements for departmental administrative expenses;
- (2) Added a requirement that the Auditor's report include the effect that autonomy has had on the operations of the community hospitals;
- (3) Reinserting language that requires state agencies to waive otherwise applicable rules, policies, or procedures that may affect Hilo or Maui Memorial Hospital when requested to do so by the Director of Health unless the state agency can justify a denial of the request to the Governor within 30 days after receipt of the request; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, conformity, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3324, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3324, H.D. 2, S.D. 2, C.D. 1.

Representatives Pepper, Say, Isbell, Morihara and Tanimoto,
Managers on the part of the House.

Senators Ikeda, Chang, B. Kobayashi, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 149 on H.B. No. 2515

The purpose of this bill, as received by your Committee on Conference, is to:

- (1) Restore the original intent of Act 357, Session Laws of Hawaii 1993 (SLH), which was to grant retirement eligibility to water safety officers, without reduction for age, upon 25 years of service;
- (2) Extend the pensioners' bonus from 1995 to 1997; and
- (3) Provide for a blank amount of the excess earnings to be deposited with the Employees' Retirement System (ERS).

Your Committee has amended the bill by:

- (1) Adding language in the purpose section of the bill on the need to address unfunded benefit obligations;
- (2) Adding a provision requiring actuarial review of the Employees' Retirement System beginning in fiscal year 1995, and recommendations to the Legislature based on that review;
- (3) Specifying that the expense fund shall be credited with the investment earnings of the system in the amount necessary to provide for the operation of the system in a given biennium, as determined by the Board of Trustees;
- (4) Specifying that the State and the counties shall pay any additional amount required to meet the investment yield rate for the preceding year until fiscal year 2000;
- (5) Requiring that:
 - (a) Beginning in fiscal year 1995, ten percent of any excess earnings shall be deposited in the Pension Accumulation Fund, and the remaining shall be applied to the amount of annual contribution owed to the Pension Accumulation Fund by the State and counties;
 - (b) In each succeeding year, another ten percent shall be similarly allocated, until the allocation reaches one hundred percent; and
 - (c) After each five-year review, the Legislature shall evaluate the allocation and distribution of investment earnings in excess of the investment yield rate and make the adjustments as appropriate;
- (6) Specifying that the bonus authorized in Section 88-11, Hawaii Revised Statutes, shall be paid into the Pension Accumulation Fund;
- (7) Clarifying that the Legislature shall review amounts paid into the expense fund, subject to approval by the Governor;
- (8) Adding a provision setting out the assumptions upon which actuarial valuations shall be made;
- (9) Changing the date by which water safety officers may elect to become Class C members to September 1, 1994;
- (10) Adding a severability provision;
- (11) Deleting the provision extending the pensioners' bonus from 1995 to 1997;
- (12) Changing the effective date of the bill from the date of its approval to July 1, 1994; and
- (13) Making technical, nonsubstantive amendments for purposes of clarity, style, and to conform to legislative drafting standards.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2515, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2515, H.D. 1, S.D. 2, C.D. 1.

Representatives Yonamine, Say, Nakasone, Santiago, Suzuki and Ward,
Managers on the part of the House.

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

Conf. Com. Rep. 150 on H.B. No. 3169

The purpose of this bill is to:

- (1) Mandate the Department of Labor and Industrial Relations to establish and use a worker profiling system, as required under federal law; and
- (2) Extend maximum potential unemployment benefits to 52 weeks for individuals who become unemployed because of a plant closure or mass layoff after June 1, 1993, and before June 1, 1995.

Your Committee has amended this bill by:

- (1) Deleting the provisions extending maximum unemployment benefits;
- (2) Excluding service performed by a direct seller from the definition of employment;
- (3) Changing the effective date to take effect upon its approval; and
- (4) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3169, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3169, S.D. 2, C.D. 1.

Representatives Yonamine, Say, Nakasone, Suzuki and Ward,
Managers on the part of the House.

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

Conf. Com. Rep. 151 on H.B. No. 3179

The purpose of this bill is to:

- (1) Extend civil service recruitment flexibility provisions, which exempt the State Director of Personnel Services from certain statutory requirements for filling vacant civil service positions, for two years;
- (2) Authorize the County Directors of Civil Service and the Administrative Director of the Courts to follow similar requirements; and
- (3) Require the State Director of Personnel Services to report to the Legislature after consulting with and assisting the County Directors of Civil Service and the Administrative Director of the Courts in preparing them for the implementation of recruitment flexibility provisions.

Your Committee has amended this measure by deleting its substance and inserting instead provisions:

PART I:

- (1) Making permanent civil service recruitment flexibility provisions, which exempt the State Director of Personnel Services from certain statutory requirements for filling vacant civil service position;
- (2) Providing the County Directors of Civil Service and the Administrative Director of the Courts the option to implement recruitment flexibility standards similar to those of the state government; and
- (3) Requiring the State Director of Personnel Services to report to the Legislature about the progress made by the counties and the Judiciary before the 1996 legislative session;

PART II:

- (4) Inserting the provisions of H.B. No. 1241, H.D. 2, S.D. 2, including abolishing:
 - (A) One in the Department of Transportation;
 - (B) Three in the Department of Health;
 - (C) One in the Department of Human Services;
 - (D) Two in the Department of Business, Economic Development, and Tourism;
 - (E) One in the Department of Budget and Finance;
 - (F) One in the Department of Land and Natural Resources; and
 - (G) One in the Department of Taxation;

and

- (5) Providing an Administrative Assistant for the State Librarian.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3179, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3179, H.D. 1, S.D. 2, C.D. 1.

Representatives Yonamine, Say, Nakasone and Ward,
Managers on the part of the House.

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

Conf. Com. Rep. 152 on H.B. No. 3458

The purpose of this bill is to designate the Deputy Director for Community Hospitals as the Chief Procurement Officer for the Division of Community Hospitals in the Department of Health.

Your Committee has amended this bill by correcting a drafting error.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3458, H.D. 1, S.D. 2, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3458, H.D. 1, S.D. 2, C.D. 2.

Representatives Say, Kawakami, Morihara, Pepper and Ward,
Managers on the part of the House.

Senators Ikeda, Chang, B. Kobayashi, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 153 on H.B. No. 3428

The purpose of this bill is to enhance the administration of the Insurance Code by:

- (1) Removing a duplicative initial hearing option that may be requested at the outset of the appeal process while retaining the party's right to a formal hearing;
- (2) Providing the Insurance Commissioner (Commissioner) with flexibility in enforcing an insurer's annual filings;
- (3) Adding a penalty of \$100 to \$500 for each day that an insurer is delinquent in submitting the annual filings, audits, or other required documents;
- (4) Specifying that until June 30, 1995, the Insurance Commissioner may use the No-Fault Administration Revolving Fund to hire one no-fault compliance specialist, one no-fault insurance investigator, and three no-fault cost compliance assistants on a civil service exempt basis;
- (5) Changing the liability and medical payment coverage for motorcycles and motor scooters to make it consistent with the motor vehicle insurance laws amounts;
- (6) Providing policyholders affected by an approved workers' compensation rate filing to have adequate notice of the filing;
- (7) Clarifying the requirements a foreign or alien captive insurance company must comply with to become a Hawaii domestic captive insurance company;
- (8) Identifying the requirements a domestic captive insurance company must comply with before transferring to a new domicile; and
- (9) Giving voting rights to Hawaii Property Insurance Association board members who represent insurance agents and the public.

Upon further consideration, your Committee on Conference has made a clarifying amendment to section 11. The language in this section is ambiguous with respect to the repeal of Section 4 of this Act on June 30, 1995. Therefore, your Committee on Conference has provided that Section 431:10C-115.5, HRS, as amended shall be repealed effective on June 30, 1994, and is reenacted in the form in which it read on the day before the approval of this Act.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3428, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3428, H.D. 2, S.D. 1, C.D. 1.

Representatives Bunda, Tom, Say, Hiraki and Thielen,
Managers on the part of the House.

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

Conf. Com. Rep. 154 on H.B. No. 3607

The purpose of this bill is to require the Director of Business, Economic Development, and Tourism (Department) to adopt rules to mandate the use of ethanol in transportation fuel in order to diversify the State's economy by accelerating the development and production of alternative transportation fuels.

After careful consideration, your Committee on Conference has amended this bill as follows:

- (1) Deleted specific references to the Hamakua Sugar Company;
- (2) Provided that any distributor or any other person violating the ethanol content requirements shall be subject to a fine of not less than \$2 per gallon of nonconforming fuel, up to a maximum of \$10,000 per infraction;
- (3) Inserted the definition for "competitively priced" to mean fuel-grade ethanol for which the wholesale price, minus the value of all applicable federal, state, and county tax credits and exemptions, is not more than the average posted rack price of unleaded gasoline of comparable grade published in the State;
- (4) Deleted the definitions of "director" and "distributor" because they are already defined in Chapter 486E, Hawaii Revised Statutes;
- (5) Provided that the Department may authorize the sale of gasoline that does not meet the ethanol content requirements to the extent that sufficient quantities of competitively-priced ethanol are not available to meet minimum requirements;
- (6) Provided that the Department shall submit monthly reports to the Legislature regarding progress in constructing ethanol production facilities in the State; and
- (7) Made technical, nonsubstantive revisions for purposes of clarity, style, and consistency.

Your Committee on Conference notes that information on the published rack price is available daily from the Lundberg Survey, Inc. Diary.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3607, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3607, H.D. 2, S.D. 2, C.D. 1.

Representatives M. Ige, Say, Chang, Chumbley and Marumoto,
Managers on the part of the House.

Senators Ikeda, Baker, Hagino, Matsunaga and Koki,
Managers on the part of the Senate.

Conf. Com. Rep. 155 on H.B. No. 3676

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds in an amount not to exceed \$200,000,000 to assist the Queen's Health Systems and its nonprofit subsidiaries in the delivery of health services.

Your Committee finds that this bill will enable the Department of Budget and Finance to provide tax-exempt financing for qualified health care projects of the Queen's Health Systems. It was noted that the monies made through the sale of these bonds will help transform the State's existing fragmented health care system into a cost effective integrated health care system.

Your Committee recognizes that Queen's Health Systems has most generously demonstrated their continued commitment to Molokai by their \$6.8 million subsidy of Molokai General Hospital from 1988 to 1994, and their "commitment to establish dialysis services on Molokai, whether at Molokai General Hospital or off-campus or via home dialysis." (per letter from Dr. Ruth M. Ono, Vice President, Queen's Health system, April 28, 1994)

After careful consideration, your Committee on Conference has amended this bill by:

- (1) Deleting language which directed the Queen's Health Systems to develop plans and cost estimates for the construction of a renal dialysis facility on the island of Molokai; and
- (2) Making other technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3676, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3676, H.D. 1, S.D. 1, C.D. 1.

Representatives Pepper, Kawakami, Chang and Tanimoto,

Managers on the part of the House.

Senators Ikeda, Holt, B. Kobayashi, Solomon and George,
Managers on the part of the Senate.

Conf. Com. Rep. 156 on H.B. No. 3657

The purpose of this bill is to restructure the public education system through systemic reforms which provide increased autonomy in support of school-level decision making.

After careful consideration, your Committee on Conference has amended this bill as follows:

CONSTITUTIONAL AMENDMENTS

- (1) Deleted language from Article X, section 3 of the Constitution of the State of Hawaii, that would have allowed the Board of Education to adopt performance standards and assessment models, monitor school success, and develop and acquire facilities;
- (2) Deleted language from the question to be printed on the ballot stating that the Board of Education's powers shall include adopting performance standards and assessment models, monitoring school success, and developing and acquiring facilities;
- (3) Inserted language to Article X, section 2 of the Constitution of the State of Hawaii providing that the Board of Education shall be appointed by the Governor and confirmed by the Senate;
- (4) Inserted language relating to the question to be printed on the ballot as to whether the Board of Education shall be appointed by the Governor and confirmed by the Senate;

HOUSEKEEPING AMENDMENTS FOR APPOINTED BOARD

- (5) Made amendments to various sections in the Hawaii Revised Statutes in the event the Board of Education is appointed by the Governor;

ROLES AND RESPONSIBILITIES

- (6) Inserted language in the event the Board of Education is appointed by the Governor that the Board shall have power in accordance with law to:
 - (A) Formulate statewide educational policy;
 - (B) Adopt student performance standards and assessment models;
 - (C) Monitor school success; and
 - (D) Appoint the Superintendent as the chief executive officer;
- (7) Inserted a provision that the Board of Education shall consist of fifteen members to be appointed as follows:
 - (A) Each school advisory council shall submit a list of three nominees who are residents of the council's geographic region and the Governor shall select one member from each list to serve a two-year term;
 - (B) The Governor shall appoint the remaining eight members for four year terms, with at least one member from each of the school/community-based management participant groups; and
 - (C) One student to be appointed by the State Student Council;
- (8) Inserted language stating that a vacancy occurring in the membership of the Board during a term shall be filled for the unexpired term; provided that:
 - (A) The Governor shall appoint a member from the same category as the member being replaced; and
 - (B) No person shall be appointed consecutively to more than two terms as a member of the same Board;
- (9) Deleted the provision that the Superintendent shall submit to the Board of Education and the Legislature, an annual education status report which includes a school-by-school reporting of academic performance;

DEPARTMENT RESTRUCTURING

- (10) Deleted the provision that all principals shall collaborate within their assigned school complex to facilitate the efficient use of instructional resources between the schools within their respective complex;

- (11) Inserted a definition of "school complex" to mean a grouping of schools established by the Department of Education for administrative and organizational purposes;
- (12) Inserted a definition for "regional administrative unit" to mean a grouping of complexes established by the Department for administrative and organizational purposes;
- (13) Stated that beginning with the 1995-1996 school year and until June 30, 1999, school level support for curriculum and instruction shall be provided through learning support centers to be governed by the schools within each complex;
- (14) Clarified that "administrative expenses" includes those state, district, or regional administrative unit expenditures pertaining to business services; personnel services; compliance with laws and rules; facilities planning; telecommunications and information systems services; planning and evaluation; communications and public relations; administration of state, regional, and district offices; and other state, district, and regional functions;
- (15) Clarified that "instructional expenses" include those expenses pertaining to the operation and maintenance of school facilities; school instructional personnel; school food services; school-based health services; after-school care; learning support centers; curriculum development; training of instructional personnel and noninstructional school staff; diagnostic services; school administration; school safety and security services; and other such expenses incurred in the delivery of instruction at the school and complex level;
- (16) Stated that beginning with the 1995-1997 fiscal biennium, the Department's operating budget for the public school system shall separate administrative from instructional expenses and shall be submitted to the Governor pursuant to Chapter 37; provided that the Department's administrative expenditures shall not exceed 6.5 percent of the total Department operating budget unless approved by the Legislature;
- (17) Stated that the Department shall not transfer any funds from instructional expense categories for administrative expenditures, except for unforeseeable circumstances that pose a threat to the health and safety of personnel and students, and subject to approval by the Governor and notification to the Legislature;
- (18) Deleted the section on schools needing assistance;
- (19) Inserted the definition for "school-based budget flexibility" to mean an operating budget preparation and allocation process which shall provide maximum flexibility to individual schools, complexes, and learning support centers in the preparation and execution of their operating budgets;
- (20) Stated that beginning with the 1995-1997 fiscal biennium, the Department shall implement school-based budget flexibility for schools, complexes, and learning support centers;
- (21) Incorporated the establishment of statewide performance standards;
- (22) Stated that the Department, in consultation with, and the concurrence of the University of Hawaii, shall establish rules to permit qualified students to enroll in any vocational or academic courses offered by the University of Hawaii system;
- (23) Stated that effective September 1, 1994, any provisions of chapters 89 and 37, Hawaii Revised Statutes, to the contrary notwithstanding, the Superintendent shall initiate the equitable reallocation of no less than twenty percent of the state and district office personnel/positions, along with related expenses, to the learning support centers and shall complete this reallocation by August 31, 1995;
- (24) Stated that effective September 1, 1995, any provisions of chapters 89 and 37, Hawaii Revised Statutes, to the contrary notwithstanding, the Superintendent shall initiate the equitable reallocation of no less than twenty percent of the remaining state and district office personnel/positions, along with related expenses, to the learning support centers and shall complete this reallocation by August 31, 1996;
- (25) Stated that the Department shall not replace positions and funds transferred, and that the complexes, through the learning support centers, shall determine how the positions and funds are to be used;
- (26) Required that the Department shall submit to the Legislature a status report outlining the specific reallocation of personnel and positions to the learning support centers;

STUDENT-CENTERED SCHOOLS

- (27) Stated that "student-centered schools" means the implementation of alternative frameworks with regard to curriculum; facilities management; instructional approach; length of the school day, week, or year; and personnel management;
- (28) Provided that the allocation for self-contained special education students and for other special education students shall be adjusted appropriately to reflect the additional expenses incurred for the students in these programs;
- (29) Provided that any appropriation retained in accordance with Section 37-41.5, Hawaii Revised Statutes, may only be used for instructional purposes at the schools, complexes, or learning support centers;

- (30) Provided that the Department shall require every student-centered school to conduct annual self-evaluations to include:
- (A) The identification and adoption of benchmarks to measure and evaluate administrative and instructional programs; and
 - (B) The impact upon the students in the student-centered school;

EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY

- (31) Provided that the Department of Education shall submit to the Legislature and the Governor an educational status report;
- (32) Inserted that the Department of Education shall provide electronic access to computer-based financial management, student information, and other information systems to the Legislature and the Auditor;
- (33) Required that the Auditor shall submit to the Legislature and the Governor, a fiscal accountability report which shall include but not be limited to the following:
- (A) The financial analysis of expenditures by the Department; and
 - (B) The measures of accuracy, efficiency, and productivity of the Department, districts, and schools in delivering resources to the classroom and the student;
- (34) Provided that the Auditor shall conduct evaluations of public school programs and their administration and financial audits of the accounts and transactions of the public school system, including the Board of Education, the Department of Education, and the individual public schools;

CIVIL SERVICE EMPLOYEES

- (35) Stated that no officer or employee of the State, except for superintendents, subordinate superintendents, and other employees serving at the pleasure of the Board of Education, shall suffer any involuntary loss of employment, tenure or regular civil service status, classification, salary, seniority, prior service credit, vacation, sick leave, or other employee benefit or privilege as a consequence of Department of Education reorganization, or the implementation of Project Ke Au Hou, or other transitional plans developed by the restructuring commission; and

MISCELLANEOUS

- (36) Made technical, nonsubstantive revisions for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3657, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3657, H.D. 2, S.D. 1, C.D. 1.

Representatives D. Ige, Tom, Say, Chumbley, Kawakami, Stegmaier and Marumoto,
Managers on the part of the House.

Senators Ikeda, McCartney, Baker, Fernandes-Salling, Hagino, Holt, Iwase, Solomon and Koki,
Managers on the part of the Senate.

SPECIAL COMMITTEE REPORT**Spec. Com. Rep. 1**

Your Committee on Credentials begs leave to report that it has thoroughly considered the matter of the seating of Michael B. White as a member of the House of Representatives of the Seventeenth Legislature of the State of Hawaii.

Your Committee was referred the communication from the Governor of the State of Hawaii on the appointment of Michael B. White to fill the vacancy created by the resignation of former State Representative Rosalyn Baker. After reviewing the communication of appointment and the qualification of the appointee, your Committee finds the said appointee to be qualified and recommends that Michael B. White be seated as a member of the House of Representatives from the Seventh Representative District.

Signed by Representatives Tom, Menor, Chun, Oshiro and Thielen.