

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

The purpose of this bill is to authorize funds for the expenses of the Legislature up to and including June 30, 1996, and to provide funds for the expenses of the legislative support agencies during the 1995-1996 fiscal year.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 2 Transportation on H.B. No. 5

The purpose of this bill is to establish an on-line computer network and database for purposes of verifying whether a vehicle has a current no-fault insurance policy prior to the registration, renewal, or transfer of registration of a motor vehicle.

Your Committee on Transportation finds that the estimated number of uninsured vehicles in Hawaii may be as high as 23% or 195,000 vehicles. This bill would establish a computer network database that would identify vehicles that do not have the required no-fault insurance. The system would permit police officers to verify registration on the spot and provide notice to the director of finance who shall then not register, renew or transfer the registration of the vehicle. In turn, this will result in effective enforcement of the law and deter driving without insurance which will effect lower insurance premiums.

Your Committee received testimony in support of this bill from the State Insurance Commissioner, the City and County of Honolulu, State Farm Insurance, the Hawaii Trial Lawyers Association, and the Chamber of Commerce of Hawaii.

Furthermore, your Committee received testimony in opposition to this bill from the State Department of Transportation which supports the intent of the bill but is doubtful that monies will be available for funding a bill that is not linked to highway safety. Also providing testimony in opposition to this bill was the Hawaii Insurers Council.

Your Committee recognized several alternatives that were recommended to cut costs. Suggestions were made to allow random sampling or for the elimination of the mandatory no-fault insurance system.

Your Committee has adopted the recommendations of the State Insurance Commissioner and has amended the bill by:

1. Permitting the owner to provide the written binder as verification of insurance;
2. Exempting motorcycles and motorscooters from the no-fault verification;
3. Substituting the designation of a code for the name of the insurer rather than the name of the insurer and the vehicle identification number rather than the no-fault insurance policy number; and
4. Extending the effective date from 1995 to 1996.

These amendments were made to ease the administrative burden and increase efficiency of the system.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 5, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 5, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 3 Transportation on H.B. No. 7

The purposes of this bill are to allow only authorized information to be printed on temporary motor vehicle number plates, and to discourage the use of expired number plates and/or the use or issuance of invalid number plates.

Your Committee on Transportation finds that dealers may place pictures, drawings, and words other than those the law requires on temporary number plates. Your Committee further finds that vehicle operators may continue to use temporary plates after the time limit expires, and that dealers may issue invalid number plates.

The proposed legislation makes invalid a number plate on which appears anything other than the expiration date, names of the new owner and the dealer, the serial number of the new vehicle, and the date on which the owner took possession of the vehicle. Owners, who use expired or invalid number plates, may be fined not more than \$500. Dealers, who prepare invalid number plates, may be fined not more than \$500. The court may apportion fines between the owner and the dealer for violations after determination of the degree of fault.

Testimony in support of this measure was received from the City and County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 7 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 4 Transportation on H.B. No. 18

The purpose of this bill is to clarify the respective roles of the State and the counties relative to the regulation of jitney services.

Jitney services are identified as unsubsidized public transportation services utilizing motor vehicles that have seating accommodations for eight to twenty-five passengers, operate along specific routes during defined service hours, and levy a flat fare schedule.

Your Committee on Transportation finds that there is some confusion as to whether the regulatory jurisdiction for jitney services rests with the State's Public Utilities Commission (PUC) or with the counties. Chapter 46, Hawaii Revised Statutes, affirms that it is the policy of the State to require counties to regulate privately-operated passenger vehicles. However, your Committee finds that some jitney services are not being regulated by the counties. In addition, jitney services are not specifically exempted from the purview of the Public Utilities Commission.

The proposed legislation clarifies jurisdiction by requiring jitney services not regulated by the counties to be under the jurisdiction of the Public Utilities Commission. Jitney services which are under the jurisdiction of the counties shall be exempt from regulation by the Public Utilities Commission.

Supportive testimonies were heard from the Public Utilities Commission, the City and County of Honolulu, the Oahu Taxi Owners Association, the Leeward Oahu Transportation Association, and the Committee on Sensible Transit.

Your Committee has amended House Bill No. 18 by defining jitney services to mean "have seating accommodations for eight to twenty-five passengers" to "have seating accommodations for six to twenty-five passengers" to include mini-vans.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 18, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 18, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 5 Transportation on H.B. No. 26

The purpose of this bill is to create more flexibility for shipping a motor vehicle interisland.

Your Committee on Transportation finds that the current law is extremely burdensome for those shipping a motor vehicle interisland. The law requires presentation of a current certificate of ownership and current no-fault insurance card upon shipping a motor vehicle interisland. Where a person is not the legal owner of the vehicle, it is difficult to obtain the certificate of ownership held by the financial institution which may be reluctant to release the document. Thus, your Committee recommends allowing presentation of a current certificate of registration to overcome this obstacle and to ease the administrative burden placed on the shipper and owner.

However, your Committee finds that due to the increasing number of car thefts, the bill as written would provide a loophole for moving stolen vehicles interisland. In order to prevent the interisland shipment of stolen vehicles, your Committee amends the bill to require a notarized written statement from the legal owner authorizing interisland shipment if the current certificate of registration is presented.

Your Committee received testimony in support of this bill from Young Brothers, Limited.

Your Committee received testimony in opposition to this bill from the Hawaii Bankers Association. Furthermore, your Committee received testimony from the Honolulu Police Department in opposition to this bill as introduced, however they support the bill as amended.

Your Committee has amended the bill by requiring that a notarized written authorization of the legal owner accompany the current certificate of registration where the person is not the legal owner of the vehicle.

This amendment was made based on the testimonies of the Honolulu Police Department and Young Brother, Limited, to make the language of this section consistent with HRS Section 286-57 and to standardize the legal requirement for shipment of vehicles interisland and interstate. The bill as amended will provide flexibility for moving motor vehicles interisland and allow police maximum control to stop the shipment of stolen vehicles.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 26, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 26, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 6 Transportation on H.B. No. 42

The purpose of this bill is to change the boundaries of the Kakaako Community Development District.

Your Committee on Transportation finds that the present boundaries of the Kakaako Community Development District include Piers 1 and 2 at Fort Armstrong, the location for maritime harbor facilities which cannot be relocated and which would be too expensive to locate elsewhere. The State's present and future cargo requirements necessitate having safe and effective berthing for major cargo vessels. Your Committee believes that Piers 1 and 2 must be protected and preserved by excluding them from the Kakaako Community Development District area. This will be accomplished by changing the boundaries to exclude Piers 1 and 2 from the Kakaako Community Development District.

Testimonies in support of this measure were heard from the Department of Transportation, the Chamber of Commerce of Hawaii, Young Brothers, Ltd., the Hawaii Pilots Association, the Waldron Steamship Company, Ltd., Sea-Land Service, Inc., Hawaii Stevedores, Inc., Plywood Hawaii, and the TheoDavies Maritime Agencies.

Opposition to this measure were heard from the Kakaako Community Development Authority and the Department of Department of Business, Economic Development and Tourism. Their testimonies pointed out that Fort Armstrong Piers 1 and 2 are an integral part of the Honolulu Waterfront Master Plan developed by the Office of State Planning in 1989.

Your Committee reflects its desire to preserve a makai strip along piers 1 and 2 to be dedicated to public use. Its intention is to provide space for continuation of a pedestrian pathway as an extension from the Waterfront Park.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 42 and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use Planning.

Signed by all members of the Committee.

SCRep. 7 Transportation on H.B. No. 184

The purpose of this bill is to exempt limousines subject to regulation by the Public Utilities Commission from designated sun screening regulations.

Your Committee on Transportation finds that side windows to the rear of the driver and rear windows on vans, minivans, trucks, and buses are exempt from sun screening requirements, provided that the vehicles are equipped with rearview mirrors on both sides. Limousines subject to Public Utilities Commission regulations are not accorded this exemption. The proposed legislation will grant limousines this exemption, thus providing greater privacy and security for passengers.

Your Committee further finds that the present law is not clear enough as to where Safety Inspection Stations should measure for front windshield tint inspections. Your Committee has amended Section 291.21.5(6), Hawaii Revised Statutes, by stating that measuring shall be "from the top center clear portion, just below the manufacturers blacked-out matrix trim of the windshield." This direction replaces "from the middle point of the bottom edge of the top windshield moulding" which is normally one to three inches above where the windshield glass actually begins.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 184, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 184, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 8 Transportation on H.B. No. 187

The purpose of this bill is to increase civil penalties for violations of the Motor Carrier Law.

Your Committee on Transportation finds that unlawful operations of motor carriers, as defined in Section 271-27, Hawaii Revised Statutes, may not be deterred by present penalties for violations.

This bill increases the penalty which the Public Utilities Commission may assess for violations of provisions of the Motor Carrier Law from a sum of \$100 to up to \$1,000 for each offense; and in the case of continuing violations, from not to exceed \$50 to not less than \$50 and not to exceed \$500 for each additional day during which failure or refusal to conform continues. In addition, the commission or its enforcement officer may publish the names and nature of the violations, while retaining immunity from suit in any civil defamation action.

Testimonies in support of this measure were received from the Public Utilities Commission and from the Hawaii Transportation Association.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 187 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 9 Ocean Recreation and Marine Resources on H.B. No. 35

The purpose of this bill is to designate that the operation of a recreational vessel in the state waters by a person, who has an essential role in the operation of a vessel which is underway, while under the influence of intoxicating liquor as being unlawful.

Your Committee on Ocean Recreation and Marine Resources realizes the danger that may occur to persons and property due to the consumption of intoxicating liquor before and during the operation of a vessel by the operator. According to the United States Coast Guard it is estimated that fifty percent of all boating accidents are related to alcohol consumption.

Your Committee finds that the State of Hawaii is one of only eight states that does not have legislation that specifically addresses this issue of operating a vessel while under the influence of alcohol. The National Transportation Safety Board has urged the State to enact legislation that would define the legal limit of intoxication by percentage of blood alcohol content(BAC).

Due to the high incident of water accidents that are caused or aggravated by the use of alcohol consumption the Department of Land and Natural Resources, the United States Coast Guard and Mothers Against Drunk Driving strongly supported passage of this bill.

Your Committee, has adopted the recommendation of the Department of Land and Natural Resources by making the following recommendations.

1. Page 1, lines 12 through 16, substitute the following language:
 - (1) The person operates or assumes actual physical control of a vessel underway while under the influence of intoxicating liquor in an amount sufficient to impair the person's normal mental faculties or ability to care for oneself and guard against casualty; or
 - (2) The person operates or assumes actual physical control of a vessel underway with 0.10 per cent or more by weight of alcohol in the person's blood;
2. Page 3, line 16, change to read: Either one or both of the following:
3. Page 13, line 4, substitute "a law enforcement officer" for "police".

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 35, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 35, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 10 Ocean Recreation and Marine Resources on H.B. No. 201

The purpose of this bill is to permanently establish and designate the humuhumu-nukunuku-a-pua'a (Rhinecanthus rectangulus) as the official state fish.

Testimony in support of the measure was presented orally by the director of the Waikiki Aquarium, and a private citizen. The Department of Land and Natural Resources opposed the bill, noting that the public should be given the opportunity to vote on the selection of the state fish. A private citizen submitted written testimony opposing the bill.

Your Committee expressed concern that a voting process, used five years ago to select the state fish, would not be financially prudent at this time. The educational value of such a process, particularly for school children, was noted.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 201 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 11 Economic Development and Business Concerns on H.B. No. 546

The purpose of this bill is to eliminate transshipment cargo wharfage fees from harbors other than Honolulu.

Your Committee finds that these wharfage fees raise total costs and discourage other carriers who would otherwise do business in Hawaii. Eliminating the intermediate wharfage charges would encourage shipping competition and lower Neighbor Island consumer goods prices by creating a more competitive market.

Testimony in support of this bill was received from the Hawaii Food Industry Association; Hawaii Stevedores, Inc.; Hawaii Transportation Association; Inchcape Shipping Services; Sealand Service, Inc.; Young Brothers, Limited; the Chamber of Commerce of Hawaii; the Japanese Chamber of Commerce; and Pacific Maritime Agencies, Inc. Each of these organizations and companies stated that this bill would benefit both businesses and consumers by allowing business to lower costs to the benefit of consumers. The Executive Director of the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs also supported the intent of this bill, but voiced concerns over if any savings realized would be passed on to consumers.

Comments were also received from the Department of Transportation (DOT). In their testimony, the DOT indicated that about \$500,000 in state revenues will be lost if such charges were eliminated. A representative from the DOT also stated that such a loss may have a negative effect on the State's bond ratings. Matson, Inc. opposed the bill, stating that wharf facilities may be detrimentally affected by this bill due to the potential loss of funds by the DOT.

Your Committee notes these concerns; however, believes that these concerns may be more properly addressed by the House Committee on Transportation and the House Committee on Finance. Your Committee further believes that this bill will create new opportunities for shipping companies wishing to enter the interisland market and that such competition will ultimately benefit the state's consumers.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 546 and recommends that it pass Second Reading and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Swain and White.

SCRep. 12 Transportation on H.B. No. 516

The purpose of this bill is to authorize the appropriation of funds for the installation of additional emergency call boxes along state highways in the County of Kauai.

Your Committee on Transportation finds that there is an urgent need for additional emergency call boxes in the County of Kauai because telephones are not readily accessible in areas with a high volume of traffic incidents or in isolated areas. Your Committee further finds that ready accessibility to call boxes is vital to the health, safety, and welfare of Kauai's residents and visitors.

The proposed legislation would appropriate an unspecified sum to install 13 additional emergency call boxes in the County of Kauai.

Supportive testimonies were heard from the State Health Planning and Development Agency, the Kauai Subarea Health Planning Council, the Wilcox Memorial Hospital, and the Kauai County Council.

The Department of Transportation supports the intent of this bill, but testified that it is unnecessary since funds have already been appropriated for the Statewide Emergency Phone Program.

Your Committee has amended this bill by inserting the sum of \$1 in place of the unspecified amount to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 516, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 516, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Isbell and Suzuki.

SCRep. 13 Transportation on H.B. No. 360

The purpose of this bill is to extend the provisions of Act 224, Session Laws of Hawaii, 1993, for two additional years.

Your Committee on Transportation finds that the police have found difficulty in establishing citation procedures for vehicles illegally using the high occupancy vehicle (HOV) lanes. The police are hesitant about stopping violators who are using the HOV lanes because such stoppages further delay traffic. Your Committee further finds that more time is needed to analyze the effectiveness of authorizing the sending of citations by certified or registered mail, as permitted by Act 224.

The proposed legislation will permit the Police Department to continue the issuance of citations by mail to drivers of vehicles illegally using the HOV lanes until June 30, 1997.

Supportive testimonies were heard from the Department of Transportation, the City and Council of Honolulu, and the Leeward Oahu Transportation Management Association.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 360 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 14 Transportation on H.B. No. 549

The purpose of this bill is to provide more adequate remuneration for motor vehicle safety inspections of vehicles weighing more than ten thousand pounds.

Your Committee on Transportation finds that the last increase for motor vehicle inspections, set at the sum of \$12, was in 1958. Your Committee further finds that the present charge is insufficient compensation for the motor vehicle station to perform the necessary inspection before issuing a decal. Out of the sum collected from customers, the station must pay the State \$1.50 for each decal.

This bill proposes to increase the charge from \$12 to \$18 for each inspection to more adequately pay for the time and inspector's professional expertise in performing the tasks included in the inspection.

Testimonies in support of this measure were heard from the Department of Transportation and the Hawaii Automotive and Retail Gasoline Dealers Association.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 549 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 15 Transportation on H.B. No. 548

The purpose of this bill is to allow special license plates to be issued to residents of Hawaii who are former prisoners of war.

Your Committee on Transportation finds that veterans who were awarded purple hearts may be provided special license plates upon application, together with proof that the applicant was awarded the purple heart by the United States Department of Defense for wounds received in military or navy combat against an armed enemy of the United States. Your Committee further finds that the heroic service by former prisoners of war rightfully deserves recognition through the issuance of special license plates on their behalf.

The proposed legislation would allow the issuance of special license plates with the appropriate designation for applicants who offer specific proof that the applicant was confined as a prisoner of war while providing military service to the United States.

Testimonies in support of this measure were heard from the City and County of Honolulu, the Office of Veterans Services, and the Pearl Harbor Survivors Association.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 548 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 16 Transportation on H.B. No. 547

The purpose of this bill is to allow special license plates to be issued to residents of Hawaii who are Pearl Harbor survivors.

Your Committee on Transportation finds that veterans who were awarded purple hearts may be provided special license plates upon application, together with proof that the applicant was awarded the purple heart by the United States Department of Defense for wounds received in military or navy combat against an armed enemy of the United States. Your Committee further finds that the heroic service by survivors of the attack on Pearl Harbor rightfully deserves recognition through the issuance of special license plates.

The proposed legislation would allow the issuance of special license plates with the appropriate designation for applicants who offer specific proof that the applicant was providing military service to the United States, on Oahu, or off-shore at a distance of not more than three miles at the time of the December 7, 1941, attack on Pearl Harbor. Certification from the Hawaii state chairperson of the Pearl Harbor Survivors Association, Inc. would constitute sufficient proof.

Testimonies in support of this measure were received from the Office of Veterans Services, the City and County of Honolulu, and the Pearl Harbor Survivors Association, which pointed out that forty-six states have passed similar legislation.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 547 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 17 Transportation on H.B. No. 759

The purpose of this bill is to provide more efficient enforcement of motor carrier laws.

Your Committee on Transportation finds that the motor carrier industry in Hawaii has been plagued by unlicensed carriers operating illegally, thereby escaping Public Utilities Commission and tariff fees. Your Committee finds that certain Public Utilities Commission rules governing motor vehicle safety inspection remain unenforced due to the availability of only one enforcement officer for all islands.

Your Committee recognizes concerns that the federal government has scheduled the deregulation of the trucking industry in 1998, and that open competition should be encouraged. However, since enforcement of present laws could be effected without creating more bureaucracy, your Committee recommends stricter enforcement of existing laws by having a department of transportation motor vehicle safety inspector check for current certificates, permits, and identification numbers issued by the Public Utilities Commission at way stations.

Your Committee received testimony in support of this bill from the Hawaii Transportation Association, the Public Utilities Commission, Cantor Bros. Hauling Services, Inc., and Oahu Express, Ltd.

Testimony in opposition to this bill was received from the Department of Transportation which acknowledged the problem of noncertified carriers but feels that it would be inappropriate to require their lone enforcement officer to make motor carrier safety inspections since it would divert from operations related to safety.

Your Committee has adopted the recommendations of the Public Utilities Commission and has amended the bill to:

1. Include HRS Section 271-12 in the definition of "enforcement officer" because it is the common carrier counterpart of HRS Section 271-13 which addresses contract carriers;
2. Identify the specific department of transportation personnel authorized to enforce motor carrier safety laws;
3. Delete unnecessary Section 271- (b); and
4. Add the production of a certified copy of the final order to the items required by the commission in any proceeding to enforce the final order.

The foregoing amendments were adopted to eliminate confusion as to which DOT employees will be authorized to enforce motor carrier safety laws and to make the definition of "enforcement officer" consistent throughout the section. Your Committee recommends these amendments as they more clearly reflect the intent of the bill.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 759, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 759, H.D. 1, and be referred to the Committees on Judiciary and Consumer Protection and Commerce.

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

SCRep. 18 Transportation on H.B. No. 88

The purpose of this bill is to prevent injuries to passengers riding in the bed or load-carrying area of pickup trucks.

Your Committee on Transportation finds that on a national level, small pickup trucks have the highest motor vehicle occupant death rate. Your Committee further finds that the National Highway Transportation Safety Administration does not recognize the cargo area of pickup trucks for passenger use. For these reasons, your Committee recommends that the bill as introduced be expanded by prohibiting passengers of all ages from riding in the bed or load-carrying area of pickup trucks.

Your Committee on Transportation received overwhelming testimony in support of this bill from the Honolulu Police Department, the Hawaii Medical Association, the American Academy of Pediatrics, the Mothers Against Drunk Drivers, the Hawaii Insurers Council, the Chamber of Commerce of Hawaii, the Kapiolani Health Care System, and numerous private citizens. Several of those testimonies favored eliminating both the age restriction and the seat belt requirement to effectuate a total ban on riding in the bed or load-carrying area of pickup trucks.

In response to the overwhelming testimony in favor of expanding the coverage of this bill, your Committee has amended the bill by:

1. Eliminating the age restriction thereby prohibiting all passengers from riding in the bed or load-carrying area of a pickup truck;
2. Eliminating the provision allowing passengers in the bed or load-carrying area equipped with a seat belt assembly;
3. Providing exceptions for specific enumerated circumstances; and
4. Identifying the effective date as January 1, 1998.

Your Committee finds that momentum caused by an accident involving a pickup truck knows no boundaries when it comes to age, size, or weight. In addition, the installment of seat belt assemblies would offer a false sense of security to passengers riding in the bed of the pickup trucks. Your Committee recognizes passenger safety to be both a rural and urban issue, thus in the interest of the safety of everyone in Hawaii, your Committee recommends that all passengers be prohibited from riding in the bed or load-carrying area of the pickup truck. Furthermore, any driver found in violation shall be subject to a \$500 fine.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 88, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 88, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 19 Transportation on H.B. No. 19

The purpose of this bill is to eliminate or minimize the number of uninsured motorists on the road. The law would allow the court to confiscate the certificate of registration and the license plate of an uninsured motorist which can only be reissued upon providing proof of valid insurance. In addition, the court may impose a civil penalty to be deposited in the Hawaii joint underwriting plan fund.

You Committee on Transportation finds that nearly a third of the drivers in Hawaii are uninsured. Efforts to reduce the number of uninsured motorists received strong support from both the public and private sector. Your Committee recognizes the concerns raised about theft of license plates if confiscation were allowed, but concludes that this bill, as amended, would be a step in deterring motorists from driving without insurance.

Your Committee received testimony in support of this bill from the City and County of Honolulu, Chamber of Commerce of Hawaii, and Hawaii Insurers Council. Also supporting this bill was a private citizen who would like to see the law to go even further to allow confiscation of a vehicle involved in an accident or stopped for a traffic violation. In addition, State Farm Insurance Company testified in favor of addressing the issue of uninsured motorists, however advocated a no pay, no play system to reduce cost and save time.

Furthermore, your Committee received testimony from the State Insurance Commissioner supporting the intent of the bill but with reservations regarding implementation.

In response to the Insurance Commissioner's concerns, your Committee has amended the bill by:

1. Eliminating the requirement that the no-fault insurance identification card be produced to anyone involved in an accident, thereby requiring production of no-fault insurance card upon request of law enforcement officers only; and
2. Defining sufficient proof of insurance as valid no-fault insurance identification card or valid certificate of self-insurance.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 19, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 19, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

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

SCRep. 20 Transportation on H.B. No. 807

The purpose of this bill is to strengthen efforts to promote and market the ports of Hawaii.

Your Committee on Transportation finds that there has been no clearly defined program for marketing Hawaii's ports and measuring the effectiveness of marketing efforts, nor has there been allocation of funding necessary to develop a marketing program. Implementation of a successful marketing program will result in greater revenue for the ports, growth in harbor-related businesses and jobs, expansion of our ship repair industry, and stabilization of costs for imported and exported products.

This bill will establish, within the Department of Transportation, a harbor users' advisory group to aid the Harbors Division in drafting a six-year harbor marketing plan based on the needs, trends, and market opportunities. The advisory group is to consist of the Director of Transportation; the Harbor Division Administrator; the Director of the Department of Business, Economic Development, and Tourism; six members, appointed by the Governor, who shall be representatives of harbor users; and two members, appointed by the Governor, who shall be representatives of labor unions representing maritime workers.

The advisory group is to submit the marketing plan to the Legislature for its approval no later than thirty days before the convening of the regular session of 1996. A sum of \$100,000, to be expended by the Department of Transportation, is appropriated out of the general revenues of the State of Hawaii for implementation of this Act.

Testimonies in favor of this bill were received from Sea-Land Service, Inc., The Chamber of Commerce of Hawaii, and Sause Bros., Inc. The Department of Transportation supports the intent of this measure, but feels that it is unnecessary at this time. Concerns were expressed about the advisory group duplicating efforts of the current Maritime Committee of the Chamber of Commerce, with whom the Department of Transportation is already working, and about the suggested composition of the advisory group.

Your Committee has amended this bill by reducing the appropriation from \$100,000 to \$1 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 807, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 807, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Isbell and Suzuki.

SCRep. 21 Agriculture on H.B. No. 260

The purpose of this bill is to appropriate funds for fiscal year 1995-1996 to defray legal costs associated with a federal investigation of illegal dumping of foreign-grown macadamia nuts into the United States market.

It is your Committee's understanding that the funds appropriated in this bill would be used to cover the expenses of legal fees incurred to assist the Hawaii Macadamia Nut Association in getting federal action to stop the dumping through the U.S. International Trade Commission. "Dumping," which in international economic terms refers to selling a product of less than actual production costs, has adverse effects on our economy. Your Committee notes that the Governor's

Agriculture Coordinating Committee (GACC) was notified by the Attorney General's Office that GACC could not pay for the legal fees, and that legislative action needed to be taken to appropriate funds for the payment of these fees.

Besides macadamia nuts, your Committee believes that there should be more vigilant protection of the State's other agricultural crops as well, such as bananas.

Testimony in support of this bill was received from the GACC and the County of Hawaii. Written comments were received from the Hawaii Macadamia Nut Association.

Upon consideration, this bill has been amended by changing the appropriation sum from \$30,000 to \$1 for fiscal year 1995-1996 for the purposes of facilitating further discussion and allowing the House Committee on Finance to determine the appropriate sum.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 260, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Jones and Halford.

SCRep. 22 Agriculture on H.B. No. 1154

The purpose of this bill is to appropriate funds for each year of the 1995-1997 fiscal biennium for the Pesticide Education Program.

Your Committee notes that the Pesticide Education Program is essential in providing Hawaii's farmers with the latest information regarding the safe use of pesticides on farms throughout the State.

Testimony in support of this bill was received from the Governor's Agriculture Coordinating Committee and the Hawaii Farm Bureau Federation.

Upon consideration, your Committee has amended this bill by changing the appropriation sums from \$60,000 to \$1 for each year of the 1995-1997 fiscal biennium, for the purposes of facilitating further discussion and allowing the House Committee on Finance to determine the appropriate sums.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1154, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1154, H.D. 1, and be referred to the Committee on Energy and Environmental Protection.

Signed by all members of the Committee except Representatives Jones and Halford.

SCRep. 23 Agriculture on H.B. No. 1156

The purpose of this bill is to exempt agricultural and horticultural organizations from the general excise tax.

Your Committee finds that this bill attempts to advance the status of agricultural and horticultural organizations to the same tax exempt status currently enjoyed by other nonprofit organizations.

Supporting testimony was submitted by the Hawaii Farm Bureau Federation. Your Committee also received comments from the Department of Taxation and the Tax Foundation of Hawaii.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1156 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Jones and Halford.

SCRep. 24 Ocean Recreation and Marine Resources on H.B. No. 469

The purpose of this bill is to establish in the Department of Land and Natural Resources a 7-member advisory task force to review the adequacy of Hawaii's salt and freshwater fishing laws and rules applicable to recreational and commercial fishers.

Your Committee heard testimony from various fisherman in support of the intent of the bill. They expressed their desire for the task force to include as much input from the community as possible. The Department of Land and Natural Resources was in favor of the intent of the bill but due to budget constraints was unable to support the bill. Implementation of the Kapuku plan by the Department of Land and Natural Resources was also discussed.

Section 2 has been amended to more clearly define the scope and extent of the work to be accomplished by this task force, by adding a subsection (5), and a subsection (6),

- (5) Determine the feasibility of implementing the Kapuku plan; and
- (6) Make recommendations on how to address the inadequacies that are identified by the task force. Consideration shall be given to establishing scientific triggers that would initiate the implementation of these management measures.

Section 2 has been amended to further clarify the makeup of the task force by adding:

- (1) Six members from the public-at-large who have knowledge and experience relating to recreational and commercial fishing laws, one of whom shall have knowledge and expertise in the area of native Hawaiian fishing practices and rights; and

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 469, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McMurdo and Anderson.

SCRep. 25 Ocean Recreation and Marine Resources on H.B. No. 614

The purpose of this bill is to require the Department of Land and Natural Resources to establish fishing areas that are intended to be used primarily for pole fishing.

Your Committee finds that due to the high concentration of people using the ocean and its resources, it has become increasingly difficult for pole fishermen to adequately access pole fishing areas and catch fish. It is therefore desirable to establish certain areas that would be designated for the primary use of pole fishing.

Your Committee, upon further consideration, has decided to include the following language in Section 187A-21:

- (b) The department shall facilitate the establishment of recreational pole fishing areas that are intended to be used primarily for pole fishing, where it is shown that no significant negative impact will occur on near shore commercial fishing.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 614, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 614, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McMurdo and Anderson.

SCRep. 26 Transportation on H.B. No. 31

The purpose of this bill is to alleviate traffic congestion on Oahu's roads by developing a safe and cost-effective travel alternative for motorists.

Your Committee on Transportation finds that the demise of the fixed rail system and the overburdened existing public transportation system force the consideration of other options to alleviate traffic on Oahu's roadways. Development of a high occupancy vehicle lane would be an efficient means of maximizing the number of persons travelling on Oahu's busy roads by providing preferential treatment for persons who drive with passengers, thereby decreasing the number of vehicles on the road.

Your Committee received testimony in support of this bill from the Leeward Oahu Transportation Management Association and the Chamber of Commerce of Hawaii. The Department of Transportation and the Oahu Metropolitan Planning Organization provided testimony supporting the intent of this bill; however, questioned the city's ability to match state funds for such a study moved them to suggest alternative methods of funding.

Your Committee has adopted the recommendations of the Oahu Metropolitan Planning Organization and has amended Section 4 of the bill to provide the City and County of Honolulu the option of providing one dollar for every two dollars provided by the state or obtaining the use of federal dollars to supplement city funds in the matching of state dollars.

In conclusion, your Committee recommends the Oahu Metropolitan Planning Organization initiate a feasibility assessment and implementation plan for the development of an exclusive high occupancy vehicle transit lane system for Oahu and submit such report to the Governor, the Legislature, and the Mayor and City Council of Honolulu by November 15, 1997. The Oahu Metropolitan Planning Organization has been designated as the expending agency in appropriated funding provisions.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 31, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 31, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 27 Transportation on H.B. No. 760

The purpose of this bill is to alleviate traffic congestion by encouraging the public use of bicycles and other two-wheeled vehicles.

Your Committee on Transportation finds that 90% of personal travel in Hawaii is by private automobile. Oahu's busy roadways signal the need for alternative methods of transportation such as bicycles, mopeds, motor scooters, and motorcycles. In addition to relieving traffic congestion, these vehicles would benefit the environment by using significantly

less gasoline than a traditional automobile, reducing air pollution, and providing enjoyable outdoor recreation. To encourage the use of such methods of transportation for commuting to work or school, your Committee recommends that bicycle racks and other sheltered parking be provided for two-wheeled vehicles.

Your Committee received testimony from the Department of Transportation supporting the intent of this bill, but pointing out the Department of Accounting and General Services as the responsible agency for constructing and maintaining state buildings and parking facilities. In addition, the Leeward Oahu Transportation Management Association and the Chamber of Commerce of Hawaii provided testimony supporting the intent of the bill but questioning the necessity of providing a community amenity in every state building. Your Committee received testimony in support of this bill from the Hawaii Green Party, Folks for Spokes, and a private citizen.

Your Committee has adopted the recommendation of the Department of Transportation and has amended the bill to require that the Department of Accounting and General Services be the agency responsible for providing the bike racks.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 760, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 760, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Isbell and Suzuki.

SCRep. 28 Transportation on H.B. No. 361

The purpose of this bill is to assist police in identifying motorists for failure to provide identification when requested to do so by police.

Your Committee on Transportation finds that police officers have problems in identifying drivers when stopping vehicles for traffic infractions or at the scene of an accident. Drivers have refused to provide this information when requested, have provided false identification, or have no identification on their persons. When false names and addresses are given and citations are made, no action can be taken because of misidentification. This problem can also jeopardize the safety of police officers, since people wanted for crimes can escape being detected and apprehended.

The proposed legislation will permit police officers to arrest vehicle operators who refuse to furnish proper identification and provides for penalties for violators.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 361 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 29 Economic Development and Business Concerns on H.B. No. 591

The purpose of this bill is to appropriate funds for rural development projects in Waialua, Oahu.

Your Committee recognizes the need to provide for the employment needs of workers displaced from their jobs as a result of the closure of several sugar companies in the state, which includes the eminent closure of Waialua Sugar Company, Inc. In addition, your Committee recognizes the immediacy of generating and pursuing viable economic and job opportunities in those regions that are directly affected by the shutdown of the sugar companies.

Testimony in support of the bill was received from the Executive Director of the Office of Economic Development, the City and County of Honolulu; and the ILWU Local 142.

Your Committee notes the importance of coordination between the Department of Business, Economic Development, and Tourism, and the City and County of Honolulu in determining the focus and use of funds on the rural development projects in Waialua, Oahu.

Upon careful consideration, your Committee has amended this bill by inserting an appropriation sum of \$1 for each year of the 1995-1997 fiscal biennium to facilitate further discussion and to allow the House Finance Committee to determine the appropriate sums.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 591, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 591, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative White.

SCRep. 30 Economic Development and Business Concerns on H.B. No. 693

The purpose of this bill is to appropriate funds for a study of current and potential equestrian activities, including horse racing, rodeo events, and parimutuel.

Your Committee received testimony in support of the bill from the Hawaii Horse Owners Association, the Big Island Equestrian Committee, and Winners Circle Hawaii.

Upon consideration, your Committee has amended this bill by changing the appropriation sum from \$10,000 to \$1 for the purposes of facilitating further discussion and to allow the House Committee on Finance to determine the appropriate sum.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 693, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 693, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives White.
(Representative Marumoto voted no.)

SCRep. 31 Transportation on H.B. No. 599

The purpose of this bill is to change the conditions under which a person arrested for drunken driving may be considered for a conditional permit to drive a vehicle.

Your Committee on Transportation finds that under the present law an arrestee for drunk driving who previously has had a conviction for this offense may not be considered for a conditional permit to drive to work. Your Committee further finds that a person may have had a conviction in the distant past, and, therefore, can never be considered for a conditional permit to drive.

The proposed legislation allows those charged with drunk driving who have no prior alcohol enforcement contacts during the five years preceding the date of their arrest to be eligible for a conditional permit. Your Committee notes that consideration for a conditional permit to drive would occur only after a minimum period of absolute license revocation for thirty days.

The American Civil Liberties Union of Hawaii testified in favor of the proposed legislation, stating that the wording in the present law appears to have been a drafting oversight during the Special Legislative Session of 1991.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 599 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ward.

SCRep. 32 Transportation on H.B. No. 714

The purpose of this bill is to make our highways safer by extending Hawaii's implied consent law to drivers suspected of driving while under the influence of specified drugs.

Your Committee on Transportation finds that the police have no authority to test drivers whom they suspect are driving while under the influence of drugs. Currently, police can legally determine the alcoholic content of the driver's blood through a blood test. However, if the suspect passes the alcohol test, police are unable to take the next step and test for drug use, since there is no penalty for refusal to be tested for drug impairment.

This bill extends the implied consent law, permitting police officers to test for suspected drug impairment and obtain evidence to prosecute guilty drivers. Refusal to be tested can result in arrest of the driver and revocation of privilege to drive.

Supportive testimonies were heard from the Hawaii Medical Association, the Office of the Public Defender, Hawaii Chapter of the American College of Emergency Physicians, the Department of Health, the Maui and Honolulu Police Departments, and interested citizens.

Your Committee recommends that other counties follow Maui Police Department's example and have officers trained in the Drug Evaluation and Classification Program approved by the National Highway Traffic Safety Administration and the International Association of Chief of Police.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 714 and recommends that it passed Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ward.

SCRep. 33 Transportation on H.B. No. 1093

The purpose of this bill is to identify uninsured motor vehicles.

Your Committee on Transportation finds that of the many uninsured motor vehicles on the highways, very few are identified except when the driver is investigated by the police for other vehicle violations.

The proposed legislation seeks to provide an effective and economically-feasible solution to this problem through a random sampling of licensed insurers. The Insurance Division of the Department of Commerce and Consumer Affairs would request insurance policy information from licensed insurers and make this information available to each county. The counties can then match this information with their vehicle registration data.

Supportive testimonies were received from the Department of Commerce and Consumer Affairs, The Chamber of Commerce of Hawaii, and the Hawaii Insurers Council. An insurance company is still concerned about cost, but prefers the random audit system to more comprehensive and costly on-line computer checking.

Your Committee feels that the random sampling will deter drivers from risking driving without no-fault insurance, since they will never know when insurance and registration information for their vehicles are going to be matched by the counties.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1093 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Ward.

SCRep. 34 Transportation on H.B. No. 1127

The purpose of this bill is to have the Department of Education (DOE) adopt policies, procedures, and programs to provide suitable transportation for public school children participating in the Hawaiian Language Immersion Program when the program is not offered in their home school.

Your Committee on Transportation finds that students who receive district exceptions to attend schools outside their own geographical districts, based on their own needs and preferences, must provide their own transportation. The Hawaiian Language Immersion Program has been established by the DOE as an academic program in only a few schools and parents must apply for district exceptions to enroll their children in this program. Parents have no choice but to apply for a district exception if the program is not available in their home school; however, presently they must provide their own transportation even though it is an academic program adopted by the DOE.

The proposed legislation requires the DOE to adopt policies, procedures, and programs to provide transportation for children enrolled in the Hawaiian Language Immersion Program.

Supportive testimonies were received from the Office of Hawaiian Affairs and parents who have district exceptions for their children to participate in this program.

The Department of Education testified against this bill, citing that parents of other district exception enrollees must provide their own transportation, and that the costs would be prohibitive if applicants for all district exceptions were to be provided transportation. It should be noted that students attending special education programs which are not available in their home school are provided transportation. The Department of Accounting and General Services testified that the current budget cannot accommodate the increased funding requirement, estimated to be \$600,000.

Your Committee feels that the success of the Hawaiian Language Immersion Program depends on transportation at reasonable cost for children who are district exceptions, until all schools offer this program, and requests the DOE to explore various funding sources for providing transportation.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1127 and recommends that it pass Second Reading and be referred to the Committee on Hawaiian Affairs and Housing.

Signed by all members of the Committee except Representative Ward.

SCRep. 35 Transportation on H.B. No. 1276

The purpose of this bill is to provide the Director of the Office of Administrative Revocation the authority to improve regulation of the business of the Administrative Driver's License Revocation Office and to give the District Court Judge the ability to remand a case back to the Director for further proceedings consistent with its order.

Your Committee on Transportation finds that clarification of the authority of the District Court to remand a case back to the Office of Administrative Revocation is essential. The proposed legislation will make into law the procedure which is presently practiced and prevent any further appeals.

Supportive testimony was received from the Administrative Director of the Courts.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1276 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ward.

SCRep. 36 Agriculture on H.B. No. 767

The purpose of this bill is to exclude under the unemployment compensation law, "agricultural labor" performed by individuals for employers who:

- (1) Paid less than \$40,000 per quarter in both the current and preceding calendar years; and
- (2) Employed no more than 100 individuals performing agricultural labor in no more than 43 calendar weeks in each of the current and preceding calendar years.

It is your Committee's understanding that if this bill is enacted, Hawaii's unemployment insurance law will no longer mirror the agricultural exclusion provisions of the Federal Unemployment Tax Act (FUTA). The resulting differences between the exclusions of the state and federal laws could subject agricultural employers to the full 6.2 percent FUTA tax, thereby making agricultural workers employed by such employers ineligible for unemployment insurance benefits.

Nevertheless, your Committee believes that the merits of this bill require further consideration.

Testimony in favor of this bill was received from the Kona County Farm Bureau. Your Committee also received testimony from the Department of Labor and Industrial Relations.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 767 and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representative Jones and Halford.

SCRep. 37 Agriculture on H.B. No. 1119

The purpose of this bill is to expand the definition of "commercial pesticide applicator" under the Hawaii Pesticides Law, to:

- (1) Include uncertified applicators; and
- (2) Apply to the application of any pesticide, not only those classified for restricted use.

The Department of Agriculture and the Hawaii Pest Control Association submitted testimony in support of this measure. Your Committee also received comments from the Hawaii Farm Bureau Federation.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1119 and recommends that it pass Second Reading and be referred to the Committee on Energy and Environmental Protection.

Signed by all members of the Committee.

SCRep. 38 Agriculture on H.B. No. 1848

The purpose of this bill is to repeal the requirement that raw agricultural commodities and processed foods, produced or prepared in foreign countries whose regulations regarding pesticides residue control do not meet U.S. standards, be labeled "THIS PRODUCT NOT CERTIFIED FOR TOXIC PESTICIDE RESIDUE".

Your Committee believes that the current law does not accomplish its intended purpose because the law does not protect consumers against tainted products and only serves to make consumers wary about purchasing foreign produced food products. In addition, your Committee notes the inability of the Board of Agriculture to enforce the current law because it does not provide for rulemaking powers and penalties.

Testimony was received from the Department of Agriculture supporting the provisions of this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1848 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 39 Hawaiian Affairs and Housing, Human Services, and Health on H.B. No. 1256

The purpose of this bill is to propose an amendment to the State Constitution to allow special purpose revenue bonds to be issued for assisted living facilities developed for the general public by not-for-profit corporations.

Assisted living facilities have the potential of allowing many disabled people and elderly people who require assistance with daily living to live with dignity and independence. Assisted living combines housing with health care services and personalized care in such a manner that individuals are allowed to continue to control their lives in a home-like environment. Compared with the costs associated with nursing facilities, the costs of assisted living facilities are much lower.

Your Committee believes that the State should make reasonable efforts to encourage the private sector to develop assisted living facilities in Hawaii. Currently the State Constitution allows special purpose revenue bonds to be issued for health care facilities, but there is some uncertainty about whether an assisted living facility may be considered to be a type of health care facility.

This bill would allow the electorate to vote on amending the State Constitution to allow special purpose revenue bonds to be issued specifically for assisted living facilities.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Housing, Human Services, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1256 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representative Anderson.

SCRep. 40 Agriculture on H.B. No. 1131

The purpose of this bill is to support agriculture.

H.B. No. 1131 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1131, as amended herein, and recommends that it be recommitted to the Committee on Agriculture, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1131, H.D. 1.

Signed by all members of the Committee except Representatives Jones and Halford.

SCRep. 41 Higher Education and the Arts on H.B. No. 295

The purpose of this bill is to improve the administration of the State Higher Education Loan Fund (SHELF) by:

- (1) Increasing the interest rate for loans made under SHELF; and
- (2) Clarifying that the University of Hawaii may spend from SHELF up to two percent of the total loans outstanding for collection and administrative expenses.

The University of Hawaii submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 295 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shon, Yonamine and Halford.

SCRep. 42 Higher Education and the Arts on H.B. No. 296

The purpose of this bill is to continue the deposit of overhead funds into the Housing Assistance Revolving Fund.

The University of Hawaii submitted testimony in support of this measure.

Your Committee finds that the Housing Assistance Revolving Fund is used to assist eligible University of Hawaii faculty purchase a principal residence and provides a critical edge in recruiting and retaining qualified faculty.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 296 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shon, Yonamine and Halford.

SCRep. 43 Higher Education and the Arts on H.B. No. 297

The purpose of this bill is to clarify the University of Hawaii's authority to develop real property in partnership with qualified developers and contractors.

The University of Hawaii submitted testimony in support of the intent of this measure. The State Procurement Office of the Department of Accounting and General Services submitted comments on this measure.

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

- (1) Deleting the words "alone or" to clarify that the University is authorized to dispense with competitive bidding only where it is involved in a joint development with a private developer or contractor;
- (2) Clarifying that the Board of Regents may develop real property and construct University projects with private developers, contractors, engineers, architects, or any other person or firm whose services would aid in accomplishing the purposes of Chapter 306, Hawaii Revised Statutes;
- (3) Clarifying that the funding of University projects is derived solely from private sources; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 297, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 297, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shon, Stegmaier and Takumi.

SCRep. 44 Higher Education and the Arts on H.B. No. 791

The purpose of this bill is to allow bonds, notes, and other obligations issued by the Secondary Market Services Corp.-Hawaii to be exempt from all state taxation except inheritance, transfer, and estate taxes.

The Hawaii Education Loan Program submitted testimony in support of this measure. The Department of Taxation testified in opposition to this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 791 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shon, Yonamine and Halford.

SCRep. 45 Higher Education and the Arts on H.B. No. 792

The purpose of this bill is to allow the Board of Regents appointees and members of bargaining units (7) and (8) with an opportunity to elect to become class C members of the Employees' Retirement System or participate in an optional retirement plan established by the University of Hawaii.

The University of Hawaii and the University of Hawaii Professional Assembly submitted testimony in support of this measure. The Hawaii Government Employees Association submitted testimony in opposition to this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the election to become a class C member of the Employees' Retirement System or participate in an optional retirement plan is extended to all Board of Regents employees;
- (2) Deleting the provision on the purchase of retirement and death benefits; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 792, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 792, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Shon and Stegmaier.

SCRep. 46 Higher Education and the Arts on H.B. No. 837

The purpose of this bill is to clarify that programs covered under the Community College Conference Center Revolving Fund include but are not limited to noncredit conferences, seminars, courses, and activities conducted by the community services programs of the community colleges.

The University of Hawaii submitted testimony supporting the intent of this measure.

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

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 837, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shon, Yonamine and Halford.

SCRep. 47 Higher Education and the Arts on H.B. No. 1191

The purpose of this bill is to exempt certain expenditures by the University of Hawaii from the Hawaii Public Procurement Code.

The University of Hawaii submitted testimony in support of this measure. The State Procurement Office of the Department of Accounting and General Services submitted testimony in agreement with the intent of this measure.

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

- (1) Adding to the list of exemptions goods and services purchased through agreements made by regional or national educational purchasing consortia; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1191, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as H.B. No. 1191, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shon, Yonamine and Halford.

SCRep. 48 Transportation on H.B. No. 39

The purpose of this bill is to provide timely and cost-efficient delivery of humanitarian aid during a state of emergency.

Your Committee on Transportation finds that during natural disasters such as Hurricane Iniki, private cargo carriers donated transportation for relief efforts but were still assessed dockage and landing fees. This bill would allow the Department of Transportation to waive the landing fees and dockage charges for aircraft and watercraft providing relief services during a state of emergency.

Your Committee received testimony in support of this bill from the Department of Transportation and Sea-Land Services, Inc.

Your Committee has adopted the recommendations of Sea-Land Services and has made amendments of a general housekeeping nature on page 6 lines 14-17 to clarify the bill.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 39, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 39, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ward.

SCRep. 49 Transportation on H.B. No. 715

The purpose of this bill is to:

1. Deter people from continuing to drive under the influence of alcohol; and
2. Reduce the risk of traffic fatalities that are alcohol related by removing extremely dangerous drivers from the road.

Your Committee on Transportation finds that death and injury from motor vehicle accidents involving intoxicated drivers continue to be of great concern. In Hawaii, an average of 55 percent of fatal accidents are alcohol related. Your Committee notes that public awareness and educational programs have had an impact in reducing fatalities, however drinking and driving remains a problem.

Your Committee further finds that current penalties for habitually driving under the influence of intoxicating liquor are not sufficient to keep impaired drivers off the road. Of the 4,000 DUI arrests that were made in 1994, 919 drivers were considered recidivists. A majority of those repeat offenders were convicted two or three times. They threaten the safety of everyone on the road and the public is willing to impose stricter sentences on repeat offenders. Your Committee finds that about 90% of the people favor mandatory jail sentences for a third conviction.

This bill as proposed would establish a felony offense for those who are convicted of their fourth offense of driving under the influence of alcohol within a ten year period. In addition to a possible prison term, the consequence of being charged with a felony would be that the judge could impose a requirement that the person not consume alcohol at any time and be subjected to regular testing as conditions of probation.

Your Committee received testimony in support of this bill from the Honolulu Police Department, the Governor's Highway Safety Council Impaired Driving Task Force, Mothers Against Drunk Driving, the Hawaii Medical Association, and a private citizen.

In conclusion, your Committee is cognizant of the concerns the public has about repeat offenders who are not deterred by the present consequences of the law. Your Committee is not opposed to a tougher law that would establish a felony offense for the third, not fourth, driving under the influence arrest. However, at this time your Committee recommends to keep the bill as proposed as it moves to the Committee on Judiciary.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 715 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ward.

SCRep. 50 Human Services on H.B. No. 929

The purpose of this bill is to transfer the Hawaii State Commission on the Status of Women (Commission) from the Department of Human Services to the Office of the Lieutenant Governor.

Testimony from the Hawaii State Commission on the Status of Women, Kapiolani Health Care System, the Office of the Lieutenant Governor, and an individual citizen was received in support of this measure.

Testimony indicated that this bill would begin to create a public advocacy role for the Lieutenant Governor, as recommended by the Task Force on the Duties of the Lieutenant Governor. The bill also highlights the State's

commitment to equality for all of its citizens, despite gender differences, by the placement of the Commission in the Office of the Lieutenant Governor, thereby giving the Commission more prominence and a higher profile. Finally, this bill relieves some of the pressure on the Department of Human Services by eliminating the need to oversee an office whose function and focus is frequently outside the scope of the department's mandate.

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

- (1) Deleting the requirement that the Chairperson be elected from the nongovernmental members of the commission;
- (2) Replacing the appointment of an executive "secretary" with an executive "director"; and
- (3) Making a housekeeping amendment to Section 367-4 in HRS that would replace "chairman" with "chairperson."

Your Committee considered the concept of reducing the membership of the Commission to six persons to minimize costs. Under current law, the membership is "not fewer than fifteen nor more than twenty-five." Your Committee strongly feels that the Commission should represent a broad spectrum of interests. The severe reduction in membership to six persons would constitute an unacceptably narrow representation on the Commission.

As such, your Commission has retained the existing make-up of the Commission. Your Committee has considered the fiscal implications in maintaining the size of the Commission, and notes that the Commission testified that it has begun to use teleconferencing as an alternative to having Neighbor Island members fly to Oahu for meetings.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 929, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 929, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 51 Higher Education and the Arts on H.B. No. 292

The purpose of this bill is to establish a University of Hawaii Graduate Application Revolving Fund to pay the costs of processing graduate program applications.

The University of Hawaii submitted testimony in support of this measure.

Your Committee finds that the University of Hawaii's graduate division processes thousands of applications each year, including numerous applications from non-U.S. applicants. The University of Hawaii believes that because it does not charge an application fee, the University receives a large number of frivolous applications. In addition, all of the University's peer institutions have application fees ranging from \$10 to \$50, many with differentials between domestic and international students.

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

- (1) Inserting a sunset date of July 1, 1998; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 292, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 292, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Shon, Yonamine and Halford.

SCRep. 52 Higher Education and the Arts on H.B. No. 1309

The purpose of this bill is to allow the University of Hawaii Board of Regents to continue to set the President's salary beyond July 1, 1998.

The Board of Regents testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1309 and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Santiago, Shon, Yonamine and Halford.

SCRep. 53 Education on H.B. No. 666

The purpose of this bill is to provide for the early intervention of truancy by:

- (1) Authorizing the suspension or expulsion of students who pose a danger to others or damage property;

- (2) Lowering the compulsory attendance age to sixteen;
- (3) Creating a student court and administrative hearings process;
- (4) Authorizing the family to order a parent or guardian to enforce a child's attendance at school;
- (5) Holding the parent or guardian in contempt of court for failure to do so; and
- (6) Empowering the family court to impose counseling and community service on the parent or guardian, in addition to imprisonment and a fine for a petty misdemeanor.

The Judiciary (Family Court, First Circuit) submitted testimony in support of this measure. The Department of Education submitted testimony concurring with the intent of this measure. The Police Department for the City and County of Honolulu submitted testimony in support of the intent of this measure. The League of Women Voters submitted testimony in opposition to lowering the compulsory attendance.

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

- (1) Deleting the provisions regarding suspension or expulsion from school;
- (2) Deleting the provision lowering the compulsory attendance age; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 666, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Tarnas, Lee, Pepper, Shon, Takamine and Yonamine.

SCRep. 54 Education on H.B. No. 1454

The purpose of this bill is to appropriate funds to the Department of Public Safety for the training of school security guards for all public school campuses.

The Hawaii State Student Council and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO submitted testimony in support of this measure. The Department of Education testified that it did not support the intent of this measure. The Department of Public Safety submitted testimony stating that it did not support this measure.

Your Committee finds that students have expressed a need for better trained security guards in the intermediate and high schools. Further, your Committee would like to emphasize that any additional funds appropriated to the Department of Education should be used to further enhance the security guard's program.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1454 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Tarnas, Lee, Pepper, Shon, Takamine and Yonamine.

SCRep. 55 Health on H.B. No. 58

The purpose of this bill is to statutorily mandate the responsibility of the prevention and control of chronic health problems to the Department of Health. These chronic health problems include heart disease, diabetes, stroke, and hypertension.

The Department of Health and the Hawaii Lupus Foundation, Inc. submitted testimony in support of the bill. An indication of the prevalence of chronic disease and injury is the fact that they are among the ten leading causes of premature death in Hawaii. And while the Department of Health engages in preventive activities, there is no specific statutory mandate for them to do so.

Although the Department of Health supported the bill, it recommended amending it. As received by the Committee, the bill would require an annual report on preventive health services. To clarify the scope of the report and make it consistent with the intent of the bill, the Department of Health recommended that the report should be made on chronic disease prevention and control instead. Your Committee agrees with this recommendation and has amended the bill appropriately.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 58, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 58, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 56 Health on H.B. No. 595

The purpose of this bill is to establish and appropriate funds for an electronic prescription accountability system. This bill is patterned after the Model Prescription Accountability Act which was proposed by the President's Commission on Model State Drug Laws.

By establishing such a system, it is the Committee's judgement that the State will be better able to monitor the prescription and use of controlled substances and will increase its ability to identify those controlled substances which are being abused. The Committee heard testimony from the Hawaii Pharmaceutical Association that such a computerized system will likely result in a decline of Schedule II controlled substance abuse and cases of forgeries and prescription alterations.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 595 and recommends that it pass Second Reading and be referred to the Committees on Judiciary and Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 57 Health on H.B. No. 896

The purpose of this bill is to continue the mandated health insurance coverage for newborn adoptees. Such mandated health insurance coverage is scheduled to sunset on June 30, 1995.

HMSA testified that this bill does not appear to present them problems in regards to implementation. HMSA currently allows newborn adoptees to be enrolled in its medical plans like any other dependent. The mandate has not had any significant impact on health insurance costs.

It is the intent of the Committee that this legislative mandated benefit continue without a sunset provision.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 896 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 58 Health on H.B. No. 898

The purpose of this bill is to authorize the issuance of up to \$45,000,000 in special purpose revenue bonds to assist Kapiolani Health Care System in financing the construction, renovation, and equipment purchases for the Kapiolani Health Care System's health care facility subsidiaries.

Kapiolani Health Care System submitted testimony in support of the bill stating that since the use of special purpose revenue bonds is the most significant method of interest expense savings, it is of direct benefit to the community. The \$45 million bond authorization is expected to result in interest savings of about \$1 million per year for the 20 to 30 year life of the bond. This method of financing is one of the principal strategies used to moderate increases in health care costs.

Testimony submitted by the Kapiolani Health Care System also noted that there is a sunset date of June 30, 1995, for the general concept of issuing special purpose revenue bonds to finance health care facilities. It may not be possible to issue by that date the bonds authorized by this bill. However, your Committee believes that addressing the sunset date by either extending it or repealing it altogether is a separate, larger legislative issue.

In this regard, H.B. No. 894, H.D. 1, which was recently approved by this Committee, repeals the sunset provision, thereby authorizing indefinitely the general concept of issuing special purpose revenue bonds to finance health care facilities.

Your Committee amended this bill to correct technical drafting errors.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 898, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 898, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 59 Judiciary on H.B. No. 87

The purpose of this bill is to revise the requirement that pedestrians violating part VII of the traffic code must present identification upon a police officer's demand.

Your Committee received testimony in support of this bill from the Office of the Public Defender and the Downtown Neighborhood Board.

Your Committee finds that there must be a balance between the permissible actions of police officers with respect to their interactions with the public, and the need for police officers to obtain accurate information upon citing members of the public for violations of the traffic code.

Your Committee finds that unlike the requirement that a driver operating a motor vehicle must display a driver's license upon the lawful order of a police officer, it is unreasonable for a police officer to order a pedestrian to display identification for a violation of the traffic code unless the pedestrian is providing the officer with false information relating

to the person's name and address. Thus, if an officer has specific and articulable facts to believe that a pedestrian is furnishing inaccurate information with respect to the pedestrian's name and address, such as verification from police dispatch that the information is misleading, the officer may order the pedestrian to produce identification.

Your Committee has amended this bill by deleting the clause excluding pedestrians from providing their name and address or any proof thereof upon the lawful order of a police officer. Your Committee has also designated two subsections to the statute. Section 291C-172, Hawaii Revised Statutes, as it presently reads will now be denoted as section 291C-172(a). The phrase "Except as provided in subsection (b)," has been inserted at the beginning of this subsection.

In order to proscribe the permissible actions of police officers with respect to pedestrians, your Committee has amended this bill by creating subsection (b) which allows police officers to ask pedestrians for identification only when there is reasonable suspicion that the pedestrian is acting in a deceptive or misleading manner in providing their name and address.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 87, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 87, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, McMurdo, Menor and Yoshinaga.

SCRep. 60 Judiciary on H.B. No. 180

The purpose of this bill is to permit the Family Court to fine a child, or the child's parents or legal guardian, when a minor is adjudicated as a law violator.

Your Committee received testimony in support of this measure from the Judiciary and the Honolulu Police Department. The Office of the Public Defender submitted testimony in opposition.

Your Committee finds that there are situations where a fine may be an appropriate disposition upon adjudication of a law violation in Family Court. Your Committee also finds that in certain circumstances this dispositional alternative may better further a juvenile's rehabilitation and may better impress upon a parent or guardian their sense of responsibility in the child's actions.

Your Committee believes that it is unfair to impose fines on persons who do not have the financial ability to meet this obligation and also that the payment of restitution to the victim of a law violation should take precedent to the payment of a fine. Therefore, the safeguards delineated in section 706-641(3), Hawaii Revised Statutes, with respect to imposing fines on adults have been adopted. Your Committee is mindful that many parents attempt to instill proper values in their children but simply have little control over their behavior. Consequently we caution the Family Court to use the dispositional alternative of imposing fines on parents or legal guardians only in exceptional circumstances.

Your Committee has amended this bill by clarifying the intent that the court may not fine both the child and the child's parents or legal guardian. Thus, the court may fine "either the child, or the child's parents or legal guardian".

Your Committee has also amended this bill by adding subsections (1)(C)(i) and (1)(C)(ii) which ensure that a fine is only imposed on persons who are able to pay the fine and that a fine will not prohibit a child from making restitution to the victim.

In addition, technical, non-substantive amendments have been made to this bill for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 180, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 180, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, McMurdo, Menor and Yoshinaga.

SCRep. 61 Judiciary on H.B. No. 357

The purpose of this bill is to permit the release of relevant information in an adult probation record to assist law enforcement personnel in locating a probationer.

Your Committee received testimony in support of this bill from the Department of Prosecuting Attorney and the Honolulu Police Department.

Your Committee finds that the existing body of law permits release of information contained in an adult probation record to law enforcement agencies only for the purposes of serving a summons or bench warrant in civil, criminal and deportation proceedings. Your Committee believes that the same information may also be useful in locating a probationer for the purpose of a criminal investigation and should be provided to law enforcement agencies pursuant to that specific purpose.

Your Committee has amended this bill by deleting subsection (4) and crafting it into subsection (2) for clarity and style and to ensure that the contents of adult probation records will remain available to locate probationers for the purpose of serving summons and bench warrants in criminal proceedings.

Your Committee changed "state or federal law enforcement agency" to "law enforcement officer as defined in section 710-1000(13)" so that county law enforcement officers are included within the ambit of the statute. Your Committee also deleted "pursuing" because it may be construed as overrestrictive with respect to a criminal investigation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 357, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 357, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, McMurdo, Menor and Yoshinaga.

SCRep. 62 Judiciary on H.B. No. 544

The purpose of this bill is to relieve the members of the Medical Advisory Board and examiners from liability for opinions or recommendations rendered regarding medical criteria and vision standards for motor vehicle drivers.

The Hawaii Medical Association and a member of the Medical Advisory Board testified in favor of this measure. The Hawaii Trial Lawyers Association submitted testimony in opposition.

Your Committee finds that it is necessary to provide immunity from liability to members of the Board who rely on a treating physician's medical opinions and recommendations as a basis for the Board's own opinions and recommendations. However, your Committee finds that extending immunity to the treating physician as well, is unwarranted.

Therefore, this bill has been amended to:

- (1) Clarify that the members of the Board will be immunized only for opinions and recommendations made in good faith; and
- (2) Retain liability for the treating physician who renders the initial medical opinion to the Board by deleting the phrase "and other persons conducting examinations".

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 544, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 544, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Menor.

SCRep. 63 Health on H.B. No. 1018

The purpose of this bill is to require employer group health insurance plans to include contraceptive services for subscribers or dependents covered by a plan. Contraceptive services are now provided as an employer option.

Testifying in support of the bill, the Commission on the Status of Women emphasized that reproductive health care is one of the most important aspects of women's health care services. The Department of Health testified that increased access to a basic preventive health service will prevent many unintended pregnancies and the avoidable medical and social costs associated with such pregnancies for years to come.

While in support of the bill, the Department of Health recommended amending the bill by mandating coverage of contraceptive services for all health insurance plans, not only to employer group plans. Your Committee agrees with this recommendation, and has amended the bill accordingly.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1018, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee.

SCRep. 64 Health on H.B. No. 1203

The purpose of this bill is to create an incentive program to provide tuition waivers to students at the University of Hawaii who pursue a course of study that would qualify them to work as registered professional nurses in the public sector in Hawaii.

The bill contains a requirement that the rules to be adopted by the Board of Regents contain a payback provision for students who fail to meet their public sector nursing obligations.

Testimony in support of the bill was submitted by the Hawaii Government Employees Association, the Hawaii Chapter of the National Association of Retired Federal Employees, and an individual. The University of Hawaii, the Hawaii Nurses' Association, and an individual submitted additional comments on the bill.

As part of its testimony, the University of Hawaii suggested that students admitted to the incentive program should be fully admitted to a nursing program and committed to a full-time program of study so that graduation dates can be predicted and coordinated with position availability. Your Committee agrees with this suggestion and urges the Board of Regents to adopt rules to that effect.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1203 and recommends that it pass Second Reading and be referred to the Committee on Higher Education and the Arts.

Signed by all members of the Committee except Representative Anderson.

SCRep. 65 Transportation on H.B. No. 604

The purpose of this bill is to deter people from driving without a valid no-fault insurance policy.

Your Committee on Transportation finds that about a third of Hawaii's drivers are uninsured. The Honolulu Police Department issued 20,252 citations for no-fault insurance violations in 1994. The insurance problem is not limited in scope to Oahu as the Kauai Police Department reported the problem of no-fault insurance violations continue to rise. Without proof of insurance, when a driver is stopped for a traffic infraction and has no registration or driver's license, the police officer is not able to identify the driver which sometimes results in a citation issued to a false identity.

The proposed bill would allow the police to arrest or issue a summons to any person operating a motor vehicle without no-fault insurance. This bill would allow police to properly identify operators of uninsured motor vehicles and would be a further deterrent for all persons driving without no-fault insurance. Even upon borrowing a motor vehicle, the Honolulu Police Department believes it is the driver's responsibility to ascertain a vehicle has the proper registration, insurance, and safety check.

Your Committee received testimony in support of this bill from the Honolulu Police Department, the Kauai Police Department, and State Farm Insurance Companies.

Testimony in opposition to this bill was received from the State Insurance Commissioner who believes that adequate penalties already exist in the statutes to deal with operating a motor vehicle without no-fault insurance.

Your Committee has adopted the recommendation made by the Honolulu Police Department and has amended the bill to delete the mandatory nature of the statute.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 604, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Suzuki.

SCRep. 66 Transportation on H.B. No. 716

The purpose of this bill is to:

- (1) Decrease fatalities and injuries caused by drivers under the influence of alcohol by reducing the blood alcohol content for a driver to be considered legally drunk; and
- (2) Delete statutory reference to the ignition interlock system.

Your Committee on Transportation finds that drinking and driving continues to be a grave problem. Last year in Hawaii approximately 46 people lost their lives in alcohol related traffic accidents. Although alcohol affects people in different ways, studies have shown that virtually all people become impaired when their blood alcohol content reaches .08. Your Committee further finds that driving ability may be affected at .02 blood alcohol content. The probability of an accident increases steadily from there and climbs rapidly from .08 blood alcohol content and up. In Hawaii, 18% of drivers involved in fatal collisions had a blood alcohol content between .01 and .09.

The benefits of the proposed bill far outweigh any negative concerns. This bill would save lives by decreasing the number of impaired drivers on the roads. In 1993, 421 out of 3,571 people arrested for driving under the influence were released because their blood alcohol content was below .10. Of those released, 150 would have been removed from the roadways as they had a blood alcohol content between .08 and .10. This bill would not affect the social drinker as the difference between .10 and .08 is only one standard drink.

Your Committee considered a recommendation that the blood alcohol content be lowered even more to .02 but declined to act upon such an amendment at this time. Your Committee believes that even tougher proposals should be considered by subsequent committees this session and by future legislatures.

Your Committee received testimony in support of this bill from the Governor's Highway Safety Council Impaired Driving Task Force, the Department of Health, the Honolulu Police Department, Mothers Against Drunk Drivers, and the Hawaii Medical Association.

Your Committee received testimony in opposition to this bill from Liquor Dispensers of Hawaii and a private citizen who believe that the current programs are working, the court backlog would worsen due to the increase in arrests for driving under the influence, and the relative risk factor for the lower alcohol level does not justify a change.

In response to repealing the statutory language dealing with the ignition interlock system, the Administrative Drivers License Revocation Office declined to comment about the value of the system but provided testimony supporting its repeal. Your Committee finds that the language as it exists acts as a technicality to reverse a Administrative Drivers License Revocation hearing when the police fail to provide notice of the ignition interlock system as a possible sanction. Your Committee recommends repeal of the language referring to the ignition interlock system since future use of this system is not foreseeable.

In conclusion, this bill would reduce the alcohol concentration required for a driving under the influence arrest, thereby increasing the number of those cases prosecuted. This, in turn, would remove impaired drivers from the roads, making them safer for everyone.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 716 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ward.

SCRep. 67 Agriculture on H.B. No. 704

The purpose of this bill is to authorize the Board of Agriculture (Board) to plan for the transition of existing agricultural water systems of plantations ceasing or planning to cease sugar operations.

Among other things, this bill:

- (1) Gives the Board the authority to:
 - (a) Plan, acquire, manage, operate, and maintain agricultural water systems;
 - (b) Issue revenue bonds to finance the cost of acquisition, improvement, construction, and maintenance of acquired agricultural water systems; and
 - (c) Adopt rules to establish acreage assessments;
- (2) Establishes the Agricultural Water Systems Special Fund; and
- (3) Amends provisions establishing the Irrigation System Revolving Fund by specifying its sources of funding.

Your Committee recognizes that the intent of the bill is to enable the state to deal with agricultural water systems being abandoned due to the sugar plantation closures. It is your Committee's understanding that this bill will give the Department of Agriculture jurisdiction for the planning, administration, operation, and maintenance over the water systems to preserve and protect this valuable resource in the public interest.

Supporting testimony was received from the Department of Agriculture. Testimony in opposition to the bill was received from Ka Lahui Hawaii.

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

- (1) Specifying that the provisions of the new chapter shall not abrogate or supersede the provisions of the State Water Code;
- (2) Limiting the use of the water systems to agricultural purposes;
- (3) Deleting from the powers of the Board the use of eminent domain; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 704, H.D. 1, and be referred to the Committee on Water and Land Use Planning.

Signed by all members of the Committee.
(Representative Herkes voted no.)

SCRep. 68 Agriculture on H.B. No. 1379

The purpose of this bill is to transfer one extension cut flower specialist position from the University of Hawaii at Manoa to the University of Hawaii at Hilo.

It is your Committee's understanding that there is currently one extension cut flower specialist position located in the Department of Horticulture at the University of Hawaii at Manoa. However, your Committee notes that a significant proportion of the state's flower and nursery industry is located in the County of Hawaii, and therefore recognizes the importance of locating a cut flower specialist in closer proximity to the majority of growers in the cut flower industry.

Testimony given in support of this bill was received by the Hawaii Florists and Shippers Association. Comments were also received from the Dean of the College of Tropical Agriculture and Human Resources of the University of Hawaii at Manoa.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1379 and recommends that it pass Second Reading and be referred to the Committee on Higher Education and the Arts.

Signed by all members of the Committee.

SCRep. 69 Agriculture on H.B. No. 1535

The purpose of this bill is to appropriate funds for each year of the 1995-1997 fiscal biennium for the establishment of one full-time equivalent (1.00 FTE) permanent extension cut flower specialist position with the College of Tropical Agriculture and Human Resources based in Hilo.

Your Committee recognizes the merits of this bill to further assist a growing agricultural industry by providing for a cut flower specialist on the island of Hawaii, where over 80 percent of the cut flower industry's wholesale value is derived, and where the majority of the cut flower growers are located.

Testimony in support of this bill was received from the Hawaii Florists and Shippers Association. Comments were also received from the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1535 and recommends that it pass Second Reading and be referred to the Committee on Higher Education and the Arts.

Signed by all members of the Committee.

SCRep. 70 Agriculture on H.B. No. 1668

The purpose of this bill is to establish a permanent, full-time extension and research support position to be allocated to the Kula Experiment Station Program of the College of Tropical Agriculture and Human Resources.

Your Committee notes that there is a continuing and growing need for disease control within the agricultural industry, particularly in the vegetable growers market. The permanent extension and research support position would provide field and laboratory aid to researchers that will further the development of disease and insect control practices and their adoption by growers on Maui and throughout the state.

Testimony in favor of this bill was received from the Hawaii Farm Bureau Federation and the Protea Growers Association. Your Committee also received comments from the Dean of the University of Hawaii at Manoa, College of Tropical Agriculture and Human Resources.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1668 and recommends that it pass Second Reading and be referred to the Committee on Higher Education and the Arts.

Signed by all members of the Committee.

SCRep. 71 Agriculture on H.B. No. 1731

The purpose of this bill is to reduce the risk of harmful plants and animals from being transported from one island to another island.

Among other things, this bill:

- (1) Prohibits the transport of prohibited plants and animals between:
 - (a) The continental United States and Hawaii (interstate); and
 - (b) The Hawaiian Islands (intrastate);
 when the Board of Agriculture determines that a high degree of risk of the spread of disease or infestation exists;
- (2) Requires the Department of Agriculture (DOA) and the Department of Transportation (DOT) to cooperate in establishing security systems at interisland airports and boat harbors to examine items that will be transported on interisland aircrafts and vessels; and
- (3) Appropriates funds to carry out the purposes contained in the bill.

Your Committee recognizes the irreparable harm that prohibited plants and animals can cause to Hawaii's environment, and indigenous flora and fauna. In this regard, it is your Committee's belief that every effort should be taken to support security efforts that are aimed at preventing the introduction of prohibited plants and animals into and throughout the State.

Testimony in support of the intent of the bill was received from the DOA and the DOT. Your Committee also received comments from the Airlines Committee of Hawaii and Young Brothers, Limited.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1731 and recommends that it pass Second Reading and be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 72 Agriculture on H.B. No. 1789

The purpose of this bill is to ensure that the agreement reached in the bankruptcy court, "In re: Hamakua Sugar Company," concerning the maintenance of the lower Hamakua ditch will be honored by the parties to the agreement.

In light of the closure of Hamakua Sugar Company, your Committee recognizes the urgency of continuing maintenance of the lower Hamakua ditch to sustain opportunities for farming and to support the development of diversified agriculture options. This bill would authorize the Board of Agriculture to fix and adjust water rates and charges to furnish ditch waters to current and future users.

Your Committee received testimony in support of the bill from the Diversified Agriculture Task Force. The Department of Agriculture and Ka Lahui Hawaii submitted testimony in support of the intent of the bill.

Acknowledging the issues relating to water rights and the State Water Code, your Committee has amended this bill by stipulating that nothing in the Act shall abrogate or supersede the provisions of the State Water Code. In addition, your Committee made technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1789, H.D. 1, and be referred to the Committee on Water and Land Use Planning.

Signed by all members of the Committee.

SCRep. 73 Agriculture on H.B. No. 2100

The purpose of this bill is to appropriate funds for a financial and management audit of the Animal Quarantine Station of the Department of Agriculture, Animal Industry Division.

Your Committee notes that while an Interim Task Force conducted a study of the State's Animal Quarantine Station in 1989 and a Blue Ribbon Panel conducted a study on animal husbandry, animal care, and other animal welfare issues in 1991, the last audit of the Animal Quarantine was done in 1976.

Testimony in support of the bill was received from the President of the Hawaii Pilots Association, the West Hawaii Humane Society, Citizens for Quality Quarantine, members of the 1990 Interim Task Force to Study the Animal Quarantine System, a veterinarian, and several concerned citizens. Your Committee also received testimony in opposition to the bill from the Department of Agriculture.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2100 and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 74 Agriculture on H.B. No. 2232

The purpose of this bill is to appropriate funds to establish one full-time equivalent (1.00 FTE) permanent faculty nursery research position in the University of Hawaii's College of Tropical Agriculture and Human Resources.

This position would be used to assist the growth of the nursery and foliage industry through research on potted plant culture and management, and post-harvest physiology of nursery plants.

Your Committee received testimony in support of the nursery research position from the College of Tropical Agriculture and Human Resources, provided that funding for the position does not replace other items in the University of Hawaii's budget request to the 1995 Legislature.

Upon consideration, your Committee has amended this bill by changing the appropriation sum for the nursery research position from \$70,000 to \$1 for fiscal year 1995-1996, to:

- (1) Facilitate further discussion on the subject; and
- (2) Allow the House Committee on Finance to determine an appropriate sum.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2232, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2232, H.D. 1, and be referred to the Committee on Higher Education and the Arts.

Signed by all members of the Committee.

SCRep. 75 Hawaiian Affairs and Housing on H.B. No. 1202

The purpose of this bill relates to Hawaiian home lands.

H.B. No. 1202 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your

Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1202, as amended herein, and recommends that it be recommitted to the Committee on Hawaiian Affairs and Housing, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1202, H.D. 1.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 76 Economic Development and Business Concerns on H.B. No. 515

The purpose of this bill is to extend to 20 years the period during which all census tracts on Kauai are eligible for designation as enterprise zones.

Your Committee notes that the purpose of the Enterprise Zone Program is to gradually stimulate sustainable, long-term business activity and job creation.

Your Committee finds that Kauai Census Tract #405, comprised of Lihue and vicinity, is the only Kauai census tract not eligible for inclusion in an enterprise zone for the 20-year designation period. This bill would extend the designation period to allow all census tracts on Kauai, including Kauai Census Tract #405, to be designated as enterprise zones for a 20-year period.

Testimony in support of this bill was received from the Kauai County Council and the Department of Business, Economic Development, and Tourism. Comments were also received from the Tax Foundation of Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 515 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara and White.

SCRep. 77 Hawaiian Affairs and Housing on H.B. No. 1551

The purpose of this bill is to preserve the ceded lands trust from further diminution by imposing a moratorium on the sale or exchange of ceded lands until the year 2005, with certain exceptions. Under this bill, the State would still be able to:

- (1) Lease lands to third parties or State agencies;
- (2) Transfer lands to the Office of Hawaiian Affairs (OHA), as long as the combined land holdings of the public land trust and the Hawaiian Home Lands Trust are not reduced; and
- (3) Undertake land exchanges with private landowners for historic preservation and other public purposes.

In addition, the Department of Hawaiian Home Lands would be exempted from the provisions on land exchanges. Finally, any agreement covering the sale or exchange of lands effected prior to the effective date of the Act shall also be exempted.

OHA, the Association of Hawaiian Civic Clubs, and an interested citizen supported passage of this bill. The Hawaiian Political Action Committee testified that the bill did not go far enough in protecting these lands from intergovernmental encumbrances. The Housing Finance and Development Corporation and the Department of Land and Natural Resources opposed this bill. Finally, an interested citizen also submitted comments.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1551 and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use Planning.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 78 Agriculture on H.B. No. 234

The purpose of this bill is to identify important agricultural lands to ensure their continued availability.

Article XI, Section 3, of the State Constitution requires the State to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and ensure the availability of lands suitable for agricultural use.

Among other things, this bill proposes to:

- (1) Establish a land evaluation rating system;
- (2) Establish threshold land evaluation scores;
- (3) Establish a site assessment rating system;

- (4) Define "important agricultural lands";
- (5) Require a two-thirds vote of an approving authority to approve reclassification and rezoning of important agricultural lands; and
- (6) Convene a temporary agricultural production goals committee.

Your Committee received testimony in support of this bill from the Hawaii Farm Bureau Federation. The Office of State Planning, the Land Use Commission, and the Hawaii Association of Realtors submitted testimony supporting the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 234 and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use Planning.

Signed by all members of the Committee.

SCRep. 79 Agriculture on H.B. No. 1840

The purpose of this bill is to allow the use of credit cards as a means of payment to the State for goods and services received at the Animal Quarantine Station.

In addition, this bill would allow the Department of Agriculture to establish a service fee payment by credit card.

Your Committee notes that in the past, the Animal Quarantine Branch required animal owners to pay their quarantine fees in full at the beginning of the quarantine period to minimize problems associated with the collection of fees after the animal has been released from the quarantine station. In these instances the Animal Quarantine Branch permitted the owners to sign promissory notes if they were unable to pay their fees in full, up-front. However, tracking of the promissory notes and attempts to collect payment are labor intensive, costly, and not very effective. It is your Committee's belief that credit cards would allow owners the opportunity to extend their payments over time while ensuring that the State receives its fees.

Furthermore, your Committee recommends that the use of credit cards as a means of payment for goods and services rendered from the State be extended to other state department and agencies for the collection of fees.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1840 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 80 Higher Education and the Arts on H.B. No. 294

The purpose of this bill is to exempt collection agencies hired by the University of Hawaii from maintaining a regular active business office in the State.

The University of Hawaii submitted testimony in support of this measure. CredGuard Corporation, Impact Financial Services, and Pacific Collections submitted testimony in opposition to this measure.

Your Committee finds that this measure proposed an exemption to allow the University of Hawaii to use a mainland agency to collect its delinquent accounts.

Hawaii is already a limited market for collection businesses and all agencies must compete aggressively. Local agencies submitted testimony that they are able to provide services equal to that of any mainland agency. Further, collection agencies on the mainland cannot match local agency's recovery rates for Hawaii debtors. In light of this information, your Committee finds that the compelling testimony from the Hawaii collection agencies justifies amending this measure.

Upon careful consideration, your Committee has amended the bill by replacing its entire contents. Specifically, the bill was amended by amending the definition of "collection agency" to exclude those persons doing business subject to public supervision and regulation.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 294, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Morihara, Shon and Yonamine.

SCRep. 81 Higher Education and the Arts on H.B. No. 1301

The purpose of the bill is to amend the environmental impact statements law to require environmental impact statements to include a cultural impact analysis regarding effects on the culture of the community and State.

The Office of Environmental Quality Control testified that it had no objection to the proposed changes in the law. The Land Use Research Foundation of Hawaii testified in opposition to HB 1301.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1301 and recommends that it pass Second Reading and be referred to the Committee on Energy and Environmental Protection.

Signed by all members of the Committee except Representatives Morihara, Shon and Yonamine.

SCRep. 82 Higher Education and the Arts on H.B. No. 1524

The purpose of this bill is to exempt cultural parks from the state concession requirements.

The Department of Parks and Recreation of the City and County of Honolulu submitted written testimony in strong support of HB 1524. Concerned members of the Friends of Waipahu Cultural Garden Park also testified in support of the measure.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1524 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara, Shon and Yonamine.

SCRep. 83 Energy and Environmental Protection on H.B. No. 75

The purpose of this bill is to expand the tax credit to stimulate an expansion of the solar industry and the greater proliferation of tax systems in Hawaii.

Your Committee is sympathetic to the re-examination of all tax credits in order to alleviate the current fiscal crisis. Other tax credits for worthy businesses, such as electric vehicles, were not approved by this committee. However, the solar energy tax credit stands out as one that needs more analysis.

In presenting the State's position, there was no attempt to evaluate the State's income from the excise tax due to the sale of systems, the impact of \$1.2 million in tax credits which goes back to the residents and is spent in Hawaii's economy, the negative impact of the loss of the solar industry, the missed opportunities to expand this small business-oriented segment of the economy, the impact of currently NOT importing 10,000 barrels of oil each year due to solar installations, the impact of the absence of the credit on Hawaiian Electric's projected energy savings in their Integrated Resource Planning to reduce demand on their electrical generation facilities, or the current funds which leave the state permanently due to our continued dependence on oil.

In exploring the need for high technology, your Committee wondered if "mid-tech" or "low-tech", such as solar hot water heating, was being neglected. It was noted that millions were spent to subsidize alternative energy technologies, which never really produced much energy for the state. Yet high tech was exciting and attracted the funds. It was also noted that the current fossil fuel economy tends to hide the real cost of petroleum, which put smaller and decentralized technologies at a disadvantage in the marketplace. One person testified that the "real" price of a gallon of gasoline should be \$5.

The solar energy industry was once a thriving and growing segment of our economy, employing some 500 individuals with average salaries in the \$40,000 a year range. These small businesses were able to convert thousands of households to clean and renewable solar systems with the help of a combined federal and state tax credit of 50%. When the federal tax credit disappeared, many of these businesses failed.

Your Committee finds that it is still the policy of the state to seek environmentally clean alternatives to imported fossil fuels. It is still the policy of the state to support small businesses and nurture new segments of, and diversify, the islands' economy.

In recent years the promised rebates to be offered by utilities under their Integrated Resource Planning has, in effect, "frozen" a good portion of the market. In other words, Hawaii's regulatory structure has, in part, dealt a blow to this environmentally sound industry. Hopefully, the current Public Utilities Docket will move along and once again stimulate public interest. Meanwhile, the industry is on the verge of collapse.

Your Committee was skeptical of the suggestions by the Director of Taxation that a loan program could be substituted for the tax credit. Apart from the administrative red tape involved in the loans, the state is unlikely to come up with the loan program during the current fiscal crisis.

Because the survival of an important, though small, industry is at stake, because the dialogue on the broader economic criteria to be used in examining tax credits should continue, and because the promotion of the small business side of "mid-tech" is an important dynamic to a diversified economy, your committee recommends passage of this bill.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 75, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 84 Energy and Environmental Protection and Ocean Recreation and Marine Resources on H.B. No. 401

The purpose of this bill is to consolidate environmental management functions and employees of state government into an agency for environmental protection to be attached for administrative purposes to the Department of Health.

For some time now, the members of your Committees have been aware of the sense of inadequacy in the current system of managing the State's environmental resources and enforcing its environmental regulations, which has resulted in a diffusion of authority, responsibility and accountability among state, county and federal planning, management and regulatory agencies. Your Committees note that the Director of Health is currently involved in managing a large department, of which environmental protection is but one of his myriad concerns and responsibilities. Given the State's current fiscal condition, which will require a re-evaluation of the Health Department's allocation of available resources, and situations such as the Federal court's citing of conditions and problems which continue to plague the State's mental health programs, your Committees feel that the Director will be precluded from giving the necessary time and attention that environmental protection both needs and deserves.

The proposal in the past four legislative sessions has been to create a Department of Environmental Protection, and in the past four legislative sessions the previous administration asked that such a proposal be delayed so that the Department of Health and the Office of State Planning could study ways to consolidate environmental activities and coordinate the efforts of the various state agencies responsible for environmental protection.

Despite such assurances of action, as of February 1, 1995, your Committees noted that little, if any, effort was made during the previous administration by either the Department of Health or the Office of State Planning to adequately address the growing problems in the State's ability to manage and protect its environment. Your Committees commend the efforts of the current directors of these agencies at attempting to rectify a long-neglected situation, but, as stated previously, believe that the Director of Health has more than enough responsibility as the State's chief health official; he should no longer bear the additional burden of trying to be the State's primary enforcer for environmental regulations. Hence our reasons for moving H.B. No. 401, H.D. 1 out of Committee.

Your Committees are mindful of both the State's current fiscal dilemma and the reluctance to create another cabinet-level post and department, and have therefore sought to address the issue in terms other than those proposed in bills from previous legislative sessions. In this bill, an agency for environmental protection, under a director appointed by the Governor, will oversee the available resources and personnel and be attached for administrative purposes only to the Department of Health. This will free the Director of Health to concentrate on the issues relating directly to public health and will allow a different administrative leader to focus on the issues related to environmental protection and regulation. Your Committees recognize the difficulties encountered in the search for, and the appointment of, a Director of Health with the necessary expertise in both public health and the environment; this bill also addresses that issue.

The only amendments to the bill pertain to mistakes in specific terminology, i.e., substituting the correct word or term needed, or typographical errors:

- (1) On page 2, line 7, the word "agency" is substituted for "department".
- (2) On page 3, line 1, the phrase "as provided in section 26-37" has been deleted.
- (3) On page 4, line 8, the term "office of state planning" is substituted for "department of business, economic development, and tourism".
- (4) On page 12, line 8, the quotation mark at the end of the sentence has been deleted.
- (5) On page 12, line 9, INTRODUCED BY line has been deleted.

In conclusion, your Committees are cognizant of the efforts of the Department of Health and the Office of State Planning in attempting to unravel the web entangling, and thus hampering, the State's efforts at environmental protection and enforcement of its environmental regulations. But, because their actions have come belatedly, and because of the immediate need to start addressing the State's environmental concerns in a conscientious and forthright manner, your Committees urge the passage of this legislation.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Ocean Recreation and Marine Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 401, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 401, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Takamine, Tarnas and Anderson.

SCRep. 85 Energy and Environmental Protection on H.B. No. 380

The purpose of this bill is to raise the environmental response revolving fund fee on barrels of oil imported into Hawaii from \$0.05/barrel to \$0.30/barrel. Additionally, it appropriates \$200,000 to develop an oil spill prevention plan.

Testimony was presented by the State of Hawaii (Department of Health, Department of Taxation, Office of Environmental Quality Control, University of Hawaii Sea Grant Program), the City and County of Honolulu, private industry, and the environmental community.

Your Committee finds that no coherent financial plan exists for environmental protection programs. Currently there is an active debate within the executive branch as to how to fund such programs, whether through special funds, targeted

fees, or general funds only. Hearings before your Committee have found the Department of Health asking for specific fees, while the Department of Taxation is stating categorical opposition to any increase in revenues. The state emergency response fund, which has generated some \$1.7 million through a tax on imported barrels of oil, has not proven useful because the executive branch refuses to release the money. At the same time, no solution has been proposed that will solve the persistent problem that highly qualified professional and technical staff cannot be hired because the pricing of their positions is unrealistically low.

Your Committee also finds that no administrative determination has been made about how much money is required to implement existing laws in a fair and timely manner, or how much additional funding may be needed to avoid the loss of "primacy" for federal programs.

The business community has not been able to develop any consensus as to how it prefers to be taxed in order to deliver adequate service. While many complain of the lack of expertise in the Department of Health, most also seem to oppose the allocation of any additional revenues.

Your Committee is concerned that this discussion on the financial plan for environmental protection programs moves forward to engage all the stakeholders in a productive and creative dialogue. Therefore, in order to further the debate, your Committee recommends that the \$0.05 tax per barrel on oil be repealed, and that H.B. No. 380 be amended as follows:

Section 243-3.5, Hawaii Revised Statutes, is repealed.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 380, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 380, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takamine, Tarnas and Yoshinaga.

SCRep. 86 Energy and Environmental Protection on H.B. No. 394

The purpose of this bill is to increase the surcharge for solid waste disposal from \$0.25 per ton to \$0.75 per ton. It also requires that the surcharge be equally distributed among the environmental management fund, the Clean Hawaii fund, and the household hazardous waste program.

Testimony was presented by the State of Hawaii (Department of Business, Economic Development, and Tourism and the Department of Health), and by the City and County of Honolulu (Department of Public Works).

Your Committee finds that no coherent financial plan exists for environmental protection programs. Currently there is an active debate within the executive branch as to how to fund such programs, whether through special funds, targeted fees, or general funds only. Hearings before your Committee have found the Department of Health asking for specific fees, while the Department of Taxation is stating categorical opposition to any increase in revenues. The state emergency response fund, which has generated some \$1.7 million through a tax on imported barrels of oil, has not proven useful because the executive branch refuses to release the money. At the same time, no solution has been proposed that will solve the persistent problem that highly qualified professional and technical staff cannot be hired because the pricing of their positions is unrealistically low.

Your Committee also finds that no administrative determination has been made about how much money is required to implement existing laws in a fair and timely manner, or how much additional funding may be needed to avoid the loss of "primacy" for federal programs.

The business community has not been able to develop any consensus as to how it prefers to be taxed in order to deliver adequate service. While many complain of the lack of expertise in the Department of Health, most also seem to oppose the allocation of any additional revenues.

Your Committee is concerned that this discussion on the financial plan for environmental protection programs moves forward to engage all the stakeholders in a productive and creative dialogue. Therefore, in order to further the debate, your Committee recommends that the solid waste management surcharge of \$0.25 per ton be repealed, and that H.B. No. 402 be amended as follows:

Section 342G-62 is repealed.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 394, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 394, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takamine, Tarnas and Yoshinaga.

SCRep. 87 Energy and Environmental Protection on H.B. No. 402

The purpose of this bill is to authorize the Department of Health to charge fees for certain environmental and health-related services. It also establishes an air and waste management special fund and a water quality management special fund.

Testimony was presented by the State of Hawaii (Office of Environmental Quality Control and Department of Health) and by private industry.

Your Committee finds that no coherent financial plan exists for environmental protection programs. Currently there is an active debate within the executive branch as to how to fund such programs, whether through special funds, targeted fees, or general funds only. Hearings before your Committee have found the Department of Health asking for specific fees, while the Department of Taxation is stating categorical opposition to any increase in revenues. The state emergency response fund, which has generated some \$1.7 million through a tax on imported barrels of oil, has not proven useful because the executive branch refuses to release the money. At the same time, no solution has been proposed that will solve the persistent problem that highly qualified professional and technical staff cannot be hired because the pricing of their positions is unrealistically low.

Your Committee also finds that no administrative determination has been made about how much money is required to implement existing laws in a fair and timely manner, or how much additional funding may be needed to avoid the loss of "primacy" for federal programs.

The business community has not been able to develop any consensus as to how it prefers to be taxed in order to deliver adequate service. While many complain of the lack of expertise in the Department of Health, most also seem to oppose the allocation of any additional revenues.

Your Committee is concerned that this discussion on the financial plan for environmental protection programs moves forward to engage all the stakeholders in a productive and creative dialogue. Therefore, in order to further the debate, your Committee recommends that H.B. No. 402 pass its Second Reading in an unamended form.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 402 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takamine, Tarnas and Yoshinaga.

SCRep. 88 Tourism on H.B. No. 574

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development and Tourism for the Hawaii International Film Festival.

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

Your Committee finds that the event generates considerable economic benefit to Hawaii and also gives Hawaii tremendous media exposure that promotes Hawaii as a visitor destination.

Your Committee revised the bill by:

1. Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill; and
2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 574, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 574, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 89 Tourism on H.B. No. 585

The purpose of this bill is to create an advisory task force, administratively attached to the Department of Business, Economic Development and Tourism, to study the feasibility of establishing an annual college football championship to be played in Hawaii.

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

Your Committee finds that the recently concluded college football season demonstrated the National Collegiate Athletic Association's lack of a tournament to determine the football championship. Such an event would generate additional travel to Hawaii, provide considerable media exposure of Hawaii, and develop Hawaii as a sports center, diversifying the tourism industry away from the casual vacation travel market.

Your Committee revised the bill by:

- (1) Broadening the description of the play-off possibilities to read: "The possible annual NCAA football championship play-off tournament scenarios for consideration by the task force shall include but not be limited to:"; and
- (2) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 585, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 585, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 90 Tourism on H.B. No. 821

The purpose of this bill is to transfer the International Tourism Consulting Center and Clearinghouse from the Office of International Relations to the Department of Business, Economic Development and Tourism.

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

Your Committee finds that the International Tourism Consulting Center and Clearinghouse, by helping to connect international businesses with Hawaii-based consultants, uses Hawaii's tourism expertise to enhance the business/commerce segments of the economy.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 821 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 91 Transportation on H.B. No. 2049

The purpose of this bill is to clarify that the Department of Transportation continues to be responsible for airport safety.

Your Committee on Transportation finds that under Section 26-14.6, Hawaii Revised Statutes, authority for airport law enforcement was transferred from the Department of Transportation to the Department of Public Safety, effective July 1, 1991. Your Committee further finds that federal law requires the operator of the State's airports, the Department of Transportation, to enforce all administrative rules relating to airport security.

The proposed legislation clarifies that the Department of Transportation was not divested of its authority to enforce laws for security services at all State airports and to contract for such services when the Department of Public Safety was given authority for other law enforcement responsibilities.

Testimony in support of this measure was received from the Department of Transportation, which also testified that the Department of Public Safety had no objection to the passage of this bill.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2049 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Suzuki.

SCRep. 92 Transportation on H.B. No. 2050

The purpose of this bill is to provide for disposal of unclaimed impounded vessels when bids are not obtained at public auctions.

Your Committee on Transportation finds that impounded vessels which are unclaimed may be sold at public auction after thirty days. Your Committee further finds that there may not be any bidders for some of the impounded vessels, but that there is no alternative for disposal of vessels in the present statute.

The proposed legislation provides that an impounded vessel may be sold by negotiation, disposed of as junk, or donated to any public agency when no bid is obtained at a public auction.

The Department of Transportation strongly supported this administration bill.

The Ala Wai Marina Committee and a boater opposed this proposed legislation. The Ala Wai Marina Committee prefers to have the vessels donated to the Sea Scout Program of the Boy Scouts of America, rather than have them sold by negotiation, disposed of as junk unless certified as junk by a recognized vessel appraiser, or donated to a government agency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2050 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Suzuki.
(Representative Ward voted no.)

SCRep. 93 Transportation on H.B. No. 2051

The purpose of this bill is to have Hawaii's commercial driver's licensing law conform with federal standards.

Your Committee on Transportation finds that amendments to Hawaii's Section 286-236, Hawaii Revised Statutes, Commercial Driver's License Qualification Standards, are necessary for the State to conform with federal standards.

The proposed legislation gives the Director of Transportation the authority to grant intrastate waivers from certain physical requirements to the same extent that the Regional Director of Motor Carrier Safety may grant waivers for interstate licensure; allows unlimited renewal of a commercial driver's instruction permit during a two-year period, whereas, presently it is limited to one year; eliminates the requirement that commercial driver's license holders aged 21 through 24 years renew their licenses every four years, instead of every two years; adds the penalty of a fine for violation of an out-of-service order; and eliminates the requirement for the driver license examiners to notify a driver's employer when a driver's license is suspended, revoked or cancelled, since this requirement is not a federal requirement.

Testimony in support of this measure was heard from the Department of Transportation, which pointed out that conformity of Hawaii to federal standards will ensure that the State does not lose a significant amount of federal highways funds, amounting to \$4,368,025 the first year and \$8,763,411 each subsequent year.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2051 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Suzuki.

SCRep. 94 Transportation on H.B. No. 2054

The purpose of this bill is to strengthen airport security.

Your Committee on Transportation finds that the State is required by the federal government to provide armed security personnel at certificated airports. Federal law prohibits a person convicted of a felony from carrying a firearm. Your Committee further finds that the Hawaii Criminal Justice Data Center conducts criminal history record checks which indicate only felony convictions within the State, while the Federal Bureau of Investigation (FBI) criminal history record check would reveal national felony convictions.

The proposed legislation requires applicants to provide armed security services within the State to submit to a criminal history record check by the FBI. Passage of this legislation will ensure that persons who are hired to provide armed security services at State airports have been appropriately screened for felony convictions.

Supportive testimonies were heard from the Department of Transportation and the Department of the Attorney General.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2054 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Suzuki.

SCRep. 95 Transportation on H.B. No. 2352

The purpose of this bill is to exempt public utilities maintenance and service vehicles from the sixty-foot length limitation for truck-tractors and trailers.

Your Committee on Transportation finds that truck-tractors and semitrailers are limited to sixty feet of overall length in the interest of public safety for operation on State highways, streets and public roads. Your Committee further finds that several vehicle types, required for the maintenance and service of public utilities, including septage pumping, sludge hauling, and facilities maintenance exceed the sixty feet limit, although they come within the sixty-five feet allowable length in the proposed legislation. Your Committee notes that exemptions have been granted in the past to agricultural vehicles and articulated buses, and that replacement of the illegal equipment would be costly.

The proposed legislation grants an exception for public utilities maintenance and service vehicles, permitting an overall length of sixty-five feet, providing that the length of the semitrailer not exceed forty-five feet.

Testimony in support of the proposed legislation was heard from the City and County of Honolulu, Department of Wastewater Management.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2352 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Suzuki.

SCRep. 96 Intergovernmental Relations and International Affairs on H.B. No. 124

The purpose of this bill is to allow a county, by majority vote of the County Council, to veto any action approved by the Hawaii Community Development Authority (HCDA) when a veto is deemed to be in the best interest of the county.

Your Committee received testimony in support of this measure from the Downtown Neighborhood Board No. 13 and several concerned individuals.

Testimony in opposition was submitted by the HCDA, the Land Use Research Foundation of Hawaii, and the Kakaako Improvement Association, Inc.

Concerns were raised that the HCDA should not be allowed to override functions that should be properly handled by the counties. Your Committee agrees with these home rule concerns; however, giving the counties veto authority may be too extreme an approach.

After careful deliberation on this matter, your Committee finds that instead of conferring the counties with veto authority, the counties should have an opportunity to approve or disapprove community development plans, thereby providing county involvement in the planning process.

Accordingly, your Committee has amended this measure to require the HCDA to submit all community development plans to the legislative body of the affected county for approval or disapproval. Upon consultation with the administration of the county, the legislative body would then approve or disapprove the plan within forty-five days after the HCDA submitted the plan. If on the forty-sixth day a plan is not disapproved, it will be deemed approved.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 124, H.D. 1, and be referred to the Committee on Water and Land Use Planning.

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

SCRep. 97 Intergovernmental Relations and International Affairs on H.B. No. 347

The purpose of this bill is to require the State Director of Finance to transmit to each county, not more than 30 days after the end of each fiscal quarter, all of the fines and forfeitures for convictions of, or forfeitures of bail by, persons charged with traffic violations in that county, effective July 1, 1995.

Testimony in support of this bill was received from the City and County of Honolulu, the Maui County Council, the Chamber of Commerce and the Honolulu Police Department.

Your Committee finds that while all fines and forfeitures resulting from the violation of state traffic laws and county ordinances has always been deposited into the state general fund, the cost of enforcement and ticket issuance has been borne by the counties. Passage of this bill would help to defray some of the increasing county expenses and divide the proceeds more equitably.

Your Committee has amended the bill on page 1, line 20 to reflect that only uncontested fines and forfeitures be transferred to the counties since no costs are borne by the State to adjudicate these offenses.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 347, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 347, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 98 Intergovernmental Relations and International Affairs on H.B. No. 348

The purpose of this bill is to exempt all sales and gross proceeds of sales to each of the four county governments from the measure of tax liability under the general excise tax.

Testimony in support of this bill was received from the City and County of Honolulu, the Maui County Council and the Chamber of Commerce of Hawaii.

Testimony in opposition was received from the Department of Taxation.

Your Committee finds that the counties with their smaller revenue bases would realize significant savings from a general excise tax exemption permitting them to channel more monies immediately into providing essential municipal services.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 348 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 99 Intergovernmental Relations and International Affairs on H.B. No. 406

The purpose of this bill is to repeal time and designated use restrictions on county general excise and use tax surcharge to authorize counties to enact ordinances for county general excise and use tax at their discretion at a rate of 1/2%.

Testimony in support of this bill was received from the Department of Taxation and the City and County of Honolulu.

Testimony in opposition was received from the Hawaii Association of REALTORS, the Chamber of Commerce and the Maui County Council.

Your Committee is in agreement that the counties are highly dependent upon real property taxes to fund their activities and that during the current year they will experience a reduction in their real property tax revenues. Therefore, the bill will enable the counties, if they so choose, the mechanism to raise additional revenues to help meet their financial obligations.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 406 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 100 Intergovernmental Relations and International Affairs on H.B. No. 1740

The purpose of this bill is to appropriate funds to establish a central office of the Polynesian Languages Forum at the University of Hawaii at Hilo.

Testimony in support of this bill was received from the University of Hawaii at Hilo, and the Polynesian Languages Forum.

Your Committee finds that additional funds will further strengthen the University of Hawaii at Hilo's position as a leading national institution serving the Pacific through the establishment of a Central Office on their campus.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1740 and recommends that it pass Second Reading and be referred to the Committee on Higher Education and the Arts.

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

SCRep. 101 Intergovernmental Relations and International Affairs on H.B. No. 1765

The purpose of this bill is to require the City and County of Honolulu to develop a Kaloi Gulch plan and to establish a Kaloi Gulch drainage district. The bill also authorizes the county to levy special taxes on the special district to carry out the special improvements or to pay debt service on any bonds issued to finance the improvements.

Testimony in support of this bill was received from Schuler Homes and HASEKO.

Testimony in opposition was received from the University of Hawaii, the Hawaii Community Development Authority, and the City and County of Honolulu.

It was brought out in testimony that although there is recognition that the Kaloi Gulch drainage issue must be resolved, all the interested parties have been unable to reach an agreement. The bill will enable the City and County to resolve the infrastructure problems in the region.

Your Committee has amended the bill on page 2 line 15 to reflect the City as one of the parties to fund the improvements since the City is a landowner and developer in the region.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1765, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1765, H.D. 1, and be referred to the Committee on Water and Land Use Planning.

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

SCRep. 102 Higher Education and the Arts on H.B. No. 376

The purpose of this bill is to establish the Hawaii Symphony Orchestra as the official symphony of the State. More specifically, this bill also:

- (1) Provides an annual appropriation from the general revenues of the State; and
- (2) Requires the comptroller and the auditor to examine the use of state funds and report any findings to the Legislature.

The Director of Bands for the University of Hawaii; the Headmaster of Hanahauoli School; an associate professor from Kapiolani Community College; the International Longshoremen's & Warehousemen's Union, Local 142; and several concerned citizens submitted testimony in support of this measure. The Department of Accounting and General Services; the State Foundation on Culture and the Arts; and the Hawaii Symphony Orchestra submitted comments on this measure.

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

- (1) Requiring the comptroller to ensure that state funds are used in accordance with legislative intent; and
- (2) Making technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 376, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as H.B. No. 376, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takumi and Yonamine.

SCRep. 103 Human Services on H.B. No. 1984

The purpose of this bill is to request emergency appropriations in the amount of \$8,751,055 for Fiscal Year 1995.

Testimony from the Department of Human Services and the Kokua Council for Senior Citizens was submitted in support of this measure.

It is noted in your Committee that the Aid to Families with Dependent Children (AFDC) and General Assistance (GA) payment programs have been experiencing escalating costs, primarily due to an increase in the caseload. Freezing the assistance standard at the July 1993 level has not had the anticipated effect of limiting this growth. The need for the Department of Human Services (DHS) services is directly affected by the economy of the State and the unemployment rate. A review of the past five months expenditures for Fiscal Year 1995 indicated that the projected shortfall will be \$8,751,055 in General Funds and \$4,060,557 in Federal Funds to be allocated to the payment programs of HMS 201 and HMS 204.

It is also noted that without the emergency appropriations, the AFDC and GA programs will authorize their last payments to needy individuals and families in March 1995. Thereafter, the Department will not be able to fulfill the statutory requirement to provide financial assistance to needy individuals and families.

Your Committee is in full support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1984 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa and Pepper.

SCRep. 104 Human Services and Health on H.B. No. 1921

The purpose of this bill is to adopt legislation to fully implement certain health group insurance and Medicaid Program requirements mandated by Federal Law.

Testimony from the Department of Human Services was received in support of this measure.

It is noted in both of your Committees that under the Omnibus Budget Reconciliation Act of 1993, states are mandated to adopt legislation which impacts on states' insurance laws dealing with adopted children, prohibiting insurers from taking Medicaid eligibility into account when providing coverage, and several provisions relating to coverage of dependents involved in child support situations. It is imperative to act on this legislation as failure to do so will result in the withholding of certain federal Medicaid matching funds.

Your Committees are in full support of this measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1921 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representative Arakaki.

SCRep. 105 Higher Education and the Arts on H.B. No. 1290

The purposes of this bill are to:

- (1) Clarify the term "operations of the Honolulu Symphony" to mean the payment of salaries, travel expenses, and other compensation to the musicians of the symphony orchestra for the performance of music; and
- (2) Appropriate \$500,000 for the State of Hawaii Endowment Fund.

The State Foundation on Culture and the Arts and the International Longshoremen's & Warehousemen's Union, Local 142, submitted testimony in support of the intent of this measure.

Upon careful consideration, your Committee has amended this bill by deleting all the provisions except for the appropriation, the purpose of which is to strengthen the financial health of the Hawaii Symphony Orchestra.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1290, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takumi and Anderson.

SCRep. 106 Higher Education and the Arts on H.B. No. 1409

The purpose of this bill is to clarify that the operations of the Hawaii symphony means the payment of salaries, travel expenses, and other compensation only to the musicians of the symphony.

The State Foundation on Culture and the Arts and the International Longshoremen's & Warehousemen's Union, Local 142, submitted testimony in support of the intent of this measure.

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

- (1) Authorizing that any unused income from the State of Hawaii Endowment Fund will be transferred to the State Foundation on Culture and the Arts for the production of symphonic music and musicians' salaries; and
- (2) Making technical, nonsubstantive amendments for the purposes of consistency, style, and clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1409, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1409, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takumi and Yonamine.

SCRep. 107 Agriculture on H.B. No. 191

The purpose of this bill is to appropriate funds to prevent the establishment of the brown tree snake in Hawaii.

Your Committee finds that the potential devastation to Hawaii's environment and island resources as a result of the establishment of the brown tree snake in the state, warrants taking immediate steps to prevent its introduction and subsequent proliferation in Hawaii.

In Guam, the brown tree snake has been the cause of frequent power outages as well as the cause of immense loss of native wildlife. Your Committee believes that the establishment of the brown tree snake in Hawaii would be devastating to the entire state, both environmentally and economically, and therefore, believes that funding for the control of the brown tree snake should include funds from the private sector and the federal government.

Testimony in support of the bill was received from the Brown Tree Snake Control Group, the Garden Club of Honolulu, and the Outdoor Circle. The Office of State Planning, the Department of Agriculture, and the Department of Land and Natural Resources testified in support of the intent of the bill.

Upon consideration, your Committee has amended this bill by:

- (1) Changing the appropriation sums to \$1 for each year of the 1995-1997 fiscal biennium to:
 - (a) Facilitate further discussion on the subject; and
 - (b) Allow the House Committee on Finance to determine the appropriate sums; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 191, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 191, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 108 Agriculture on H.B. No. 1377

The purpose of this bill is to appropriate funds for the anthurium in-vitro propagation certification and indexing project at the University of Hawaii at Hilo.

Your Committee recognizes that the anthurium industry comprises the largest cut flower industry in the State, with approximately 80 percent of the anthurium industry on the island of Hawaii. Your Committee further recognizes the essential role and responsibility that the University of Hawaii at Hilo anthurium in-vitro culture certification and indexing project contributes to the anthurium industry. The vitality and growth of the anthurium industry on the island of Hawaii and statewide is incumbent on keeping anthurium plants free of the bacterial blight pathogen in the most efficient and effective manner possible.

Supporting testimony was received from the University of Hawaii at Hilo. Comments were also received from the Department of Horticulture, Beaumont Research Station, in Hilo.

Upon consideration, your Committee has amended the bill by:

- (1) Changing the appropriation agency from the University of Hawaii at Hilo, to the Governor's Agriculture Coordinating Committee; and
- (2) Making a technical, nonsubstantive amendment for the purposes of consistency and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1377, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1377, H.D. 1, and be referred to the Committee on Higher Education and the Arts.

Signed by all members of the Committee.

SCRep. 109 Human Services and Health on H.B. No. 428

The purpose of this bill is to establish the interagency resource development unit within the Department of Human Services to secure private funds and federal reimbursements pursuant to title IV-A, IV-B, IV-E, or XIX of the Social Security Act for child welfare services in the state.

Testimony from the Child and Family Service was submitted in support of this measure. Testimony was also received from the Department of Human Services in support of the concept; however, the department feels that the interagency resource development unit (unit) should operate in the manner of a marketing research and business development entity. The unit should assume the role of a catalyst assisting the agencies through research, exchange of information, coordination and encouragement.

It is noted by your Committees, that the Legislature would like to see the unit maximize the federal funding provided to the department, but also to look at alternative sources of funding as well (e.g., private funding).

Upon further consideration, your Committees have amended this bill by:

- (1) Changing the name of the Interagency Resource Development Special Fund to the Interagency Resource Development Special Account;
- (2) Reflect the change from "fund" to "account" throughout the measure; and
- (3) Deleting sub-subsections 2, 3, and 4 from page 5, lines 9 through 13, and renumbering the following sub-subsections to reflect the change.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 428, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 428, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki and Kawanakoa.

SCRep. 110 Human Services on H.B. No. 1466

The purpose of this bill is to restore restricted funding and positions to maximize federal reimbursement generated from the various grants to the Vocational Rehabilitation Division of the Department of Human Services.

Testimony from twenty-one employees from the workshop for the blind (aka. Ho'opono Workshop for the Blind), three representatives from the Goodwill Industries of Honolulu, and a private citizen was submitted in support of this measure.

Testimony from the Department of Human Services was submitted in opposition to this measure due to the current and projected fiscal situation of the state government. However, the department does support the inclusion of federal grant funds to serve older blind individuals and access to "assistive" technology for severely disabled individuals in our biennium budget.

The Vocational Rehabilitation Program is an effective alternative to welfare. Its goal is to train and rehabilitate people to become productive, gainfully employed workers. By assisting persons involved in the program to support themselves, the program prevents as well as reduces the number of persons dependent on welfare assistance, saves the State money, and increases the collective productive capacity of our State.

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

- 1) Changing the dollar amount from \$166,848, on page 4, line 16, to \$1 for fiscal year 1995-1996 for the restoration of 5.5 permanent positions with the vocational rehabilitation division;
- 2) Changing the dollar amount from \$181,428, on page 6, line 4, to \$1 for fiscal year 1995-1996 for the various programs of the vocational rehabilitation division;
- 3) Deleting sections 9 and 10 on page 6, lines 10 through page 7, line 1; and
- 4) Renumbering section 11 on page 7, line 3, to section 9 for technical, non-substantive reasons.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1466, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1466, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki and Hamakawa.

SCRep. 111 Human Services on H.B. No. 1992

The purpose of this bill is to request emergency appropriations in the amount of \$11,000,000 in general funds and \$11,000,000 in federal funds for fiscal year 1994-1995. The additional funds are needed so the Department of Human Services can continue to provide reimbursements to the health care providers of the Medicaid Program which serves the Aged, Blind and Disabled populations.

Testimony from the Department of Human Services, Med-QUEST Division/Finance Office, the Hawaii Long Term Care Association, the Healthcare Association of Hawaii, and the Kokua Council for Senior Citizens was submitted in support of this measure.

The Department of Human Services has experienced an increase of approximately 200 Aged, Blind and Disabled (ABD) recipients per month since July 1994. The increases are due to the following factors:

- (1) Hawaii's population is growing older and the longevity for the aged population is increasing;
- (2) The public is more aware of the need for health care coverage; and
- (3) The health plans under the Hawaii QUEST Program are discovering recipients who should be determined as disabled recipients.

The average annual cost of care for this subset population is approximately \$10,000 per recipient. Without the emergency appropriations, the Medicaid program will be unable to fulfill its fiscal obligation to provide reimbursements to the Medicaid health care providers.

Your Committee is in full support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1992 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hamakawa.

SCRep. 112 Hawaiian Affairs and Housing on H.B. No. 1314

The purpose of this bill is to give members of the Board of Trustees of the Office of Hawaiian Affairs (OHA) the option of electing to become members of the State Retirement System. Currently, OHA trustees are excluded under the definition of "elective officers" and "elective officials" in Chapter 88, Hawaii Revised Statutes (HRS).

Under this bill, OHA trustees would become members of the State Retirement System with their inclusion under the definition of "employee" in Section 88-21, HRS. In addition, OHA trustees would also have the same option that legislators have -- of electing not to be members of the State Retirement System.

OHA and Malama Mookuauhau O Kukaniloko supported passage of this measure.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1314 and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Hamakawa and Stegmaier.

SCRep. 113 Hawaiian Affairs and Housing on H.B. No. 1563

The purpose of this bill is to protect the culture and traditions of native Hawaiians.

This bill seeks to ensure that decisions by a State agency that permit or approve any development activity on public lands or on lands within the State agricultural, rural, or conservation district consider the impact that the activity may have on these specific rights of native Hawaiians. This bill would require the preparation of a native Hawaiian cultural impact statement as part of the decision-making process.

The following organizations testified in support of this bill: the Association of Hawaiian Civic Clubs (AHCC); the Hawaii Island District Council (of the AHCC); the Kona Hawaiian Civic Club; Ka Lahui Hawaii; the Koolauloa Hawaiian Civic Club; the Protect Kohanaiki Ohana; E Ku Mau Mau; the Pro-Hawaiian Sovereignty Working Group; and the Friends of Malaekahana. The Department of Land and Natural Resources and the Office of Hawaiian Affairs supported this bill with certain recommendations. The Land Use Research Foundation of Hawaii opposed this measure. The Environmental Center of the University of Hawaii at Manoa, the Office of Environmental Quality Control, as well as several interested individuals also submitted testimony.

A significant number of testimony came from the Big Island. Testifiers pointed out that because in-depth cultural assessments are currently not required, development activity has resulted in the loss or destruction of many cultural resources.

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

- (1) Expanding the requirements for the preparation of a cultural impact statement by including lands within the State urban district. With this amendment, any development activity on land within the urban, agricultural,

rural, or conservation district would require the preparation of a cultural impact statement. Since all lands within the State are classified under one of these four land use districts, this amendment would essentially encompass all lands in the State, whether publicly or privately owned; and

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

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1563, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1563, H.D. 1, and be referred to the Committee on Water and Land Use Planning.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 114 Hawaiian Affairs and Housing on H.B. No. 1779

The purpose of this bill is to clarify the provisions that authorize the Office of Hawaiian Affairs (OHA) to issue revenue bonds. In 1994, the Legislature passed S.B. No. 2261, which established a new Part II in Chapter 10, Hawaii Revised Statutes, relating to revenue bonds.

In supporting this bill, OHA testified that the proposed amendments are basically "housekeeping" to:

- (1) Reflect the current processes governing revenue bonds;
- (2) Clarify the types of projects that OHA can undertake under revenue bonds; and
- (3) Simplify wording of the statutes.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1779 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kawakami and Stegmaier.

SCRep. 115 Hawaiian Affairs and Housing; Human Services; and Health on H.B. No. 1029

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for the development of assisted living housing by not-for-profit corporations. The bill also repeals the sunset date of June 30, 1995, thereby authorizing the issuance of special purpose revenue bonds for health care facilities indefinitely.

In authorizing the bonds, the bill clarifies that assisted living housing facilities qualify as health care projects, for which special purpose revenue bonds may be issued pursuant to Chapter 39A, Hawaii Revised Statutes.

At the present time there is no not-for-profit organization that has proposed to use special purpose revenue bonds to finance the development of assisted living facilities. Therefore, your Committees have amended the bill by:

- (1) Removing the appropriation; and
- (2) Removing the extension of the sunset provision.

The amended bill has the effect of clarifying that assisted living housing facilities are health care facilities that qualify to be financed by special purpose revenue bonds.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Housing, Human Services, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1029, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1029, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Anderson.

SCRep. 116 Energy and Environmental Protection on H.B. No. 74

The purposes of this bill are twofold: (1) to require that an environmental assessment (EA) be performed for actions that affect both special management areas (SMAs) and areas designated as 'critical habitat' under the Federal Endangered Species act; and (2) to require the director of the Office of Environmental Quality Control to publish an environmental impact statement (EIS) guidebook.

Testimony was presented by State government representatives (Board of Land and Natural Resources, Office of Environmental Quality control, Office of State Planning, Office of Hawaiian Affairs, the University of Hawaii Environmental Center), Kauai County Planning Department, private organizations and individuals.

A considerable amount of testimony focussed on the need to have more consistency among our various counties in the mechanisms that trigger production of an EA or EIS in special management areas.

Discussion regarding the need for EAs to be performed in SMAs was centered primarily around the size and types of developments that might be considered, and whether essential or critical habitat for an endangered species was at stake with the potential development.

The term 'critical habitat' is of crucial significance. Areas designated as such are not directly regulated by the state or counties; critical habitat is primarily a function of the U.S. Fish and Wildlife Service. Therefore, in cases where a state or county permit is not required to undertake an action, the EIS process will not be activated. Only three plants and one bird have federal critical habitat definitions outlined for them in Hawaii, despite the fact that hundreds of species are officially designated as endangered in the state ("...a very narrow definition of almost nothing..."). According to DLNR and others, federal and state agencies are beginning to consider the less specific, but more usable term 'essential' habitat in dealing with threatened and endangered species.

Much of the Committee's discussion centered around this wording, and how best to implement discerning species protection measures in Hawaii while allowing appropriate development to proceed.

Most pertinent to this discussion was the information that within Hawaii's conservation districts, authority now exists to subzone and define development by various non-federal criteria ("essential" habitat, for instance); this can continue to be helpful in guiding development standards.

Because Hawaii is an island state, Coastal Zone Management (CZM) laws have an unusually high level of applicability here. This can be very useful: As the federal budget is now designed, county CZM programs can be funded by federal money that is channeled through state authorities. This local implementation with centralized funding provides an opportunity for consistent implementation.

In discussing the production of a EIS guidebook, the Office of Environmental Quality Control produced an EIS guidebook in 1992, and is preparing to update it now. Time, staffing, and financial considerations will dictate how widely it will be disseminated. Thus, in effect, the portion of this bill that deals with the guidebook is already being effected.

Your Committee thus has chosen to support the following amendments to H.B. 74:

- (1) Replace Section 2, paragraph 3 (p. 4, lines 2-4) with the following: "Propose any use requiring a variance pursuant to Section 205A-46 within the shoreline area as defined in section 205A-41 or any development within the special management area as defined in section 205A-22;" and
- (2) Replace Section 2, paragraph 9 (p. 5, lines 16-18) with the following: "Propose any use that may affect essential or critical habitat of endangered species as defined by the Department of Land and Natural Resources."

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 74, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 74, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago and Takamine.

SCRep. 117 Energy and Environmental Protection on H.B. No. 82

The purpose of this bill is to establish the position of Environmental Intervenor within the Department of Health. It further exempts that department from spending public funds to employ attorneys, and requires that its full-time attorneys be designated as deputy attorney generals.

Testimony was presented by state agencies (Board of Land and Natural Resources, Office of Environmental Quality Control, the Office of State Planning, the Health Department, the Attorney General's Office, the UH Environmental Center), Hawaiian Electric Company, various non-governmental organizations, the Democratic Party of Hawaii, and private individuals.

The testimony presented by the Office of State Planning (OSP) defined the parameters of the Committee's discussion, as well as its discussion regarding the related H.B. #103, to which we also refer you.

Within the context of the new administration's reform concepts, the OSP has undertaken the task of restructuring and coordinating all environmental management systems in the state. Each of the relevant department's directors have begun goal-oriented monthly meetings to fulfill their mandates. Their focus is upon four objectives: 1) regulation and enforcement; 2) resource management and protection; 3) policy development, and 4) education and awareness.

Within this context, functional rather than structural issues will receive the greatest attention.

Among the needs identified has been that of an environmental intervenor. That person needs to be an attorney, empowered to protect Hawaii's most vital resource with the force of law. An intervenor could: 1) ensure that government agencies comply with our own laws; 2) intervene in administrative proceedings on behalf of environmental interests, 3) keep the public informed, and 4) facilitate the EIS process when appropriate. Placement within the Attorney General's office was deemed more appropriate than the Department of Health, partially in order to assure fewer internal conflicts.

The Office of State Planning testified that funding for an intervenor could come from the federal government's Coastal Zone Management program, which presently has monies available for such positions; applications are presently being processed to tap into those federal CZM funds. Since federal funding is likely to diminish in the future, the administration would possibly need to revisit, review, and possibly modify the intervenor's status at a later time in the event that this position is brought into law.

[Your Committee invites your further attention to a companion bill, H.B. #103, which deals with an environmental advocate, a complementary position to the intervenor's, with separate and distinct functions.]

In order to permit the Administration to develop this concept further, your Committee has agreed to support H.B. #82, with the following amendments:

- (1) Page 1, lines 6-8 '(a)' to be replaced with: "The Governor may establish with the department of the Attorney General for administrative purposes the office of the environmental intervenor.
- (2) Page 1, lines 9-16 '(b) and (c)' are deleted.
- (3) Page 2, line 10 '(c)' through page 5. line 13 are deleted.
- (4) Section 5 (page 5, lines 16-17) is changed to read: "This Act shall take effect upon its approval."

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago and Takamine.

SCRep. 118 Energy and Environmental Protection on H.B. No. 103

The purpose of this bill is to create the position of an environmental advocate within the Office of Environmental Quality Control.

Testimony was presented by state agencies (Board of Land and Natural Resources, Office of Environmental Quality Control, the Office of State Planning, the Health Department, the Attorney General's Office, the UH Environmental Center), Hawaiian Electric Company, various non-governmental organizations, the Democratic Party of Hawaii, and private individuals.

The testimony presented by the Office of State Planning (OSP) defined the parameters of the Committee's discussion, as well as its discussion regarding the related H.B. No. 82, to which we also refer you.

Within the context of the new administration's reform concepts, the OSP has undertaken the task of restructuring and coordinating all environmental management systems in the state. Each of the relevant department's directors have begun goal-oriented monthly meetings to fulfill their mandates. Their focus is upon four objectives: (1) regulation and enforcement; (2) resource management and protection; (3) policy development, and (4) education and awareness.

With the OSP thus restructured, inter-agency coordination and cooperation will be enhanced. The system being developed is a fluid one which can provide complementary services to its various components, and help to meet their individual needs.

Among the needs identified has been that of an environmental advocate. Hearing testimony revealed that such an advocacy position would fill a crucial void: Private citizens' ability to influence their own government's decisions is often limited when hearings and board meetings take place during traditional working hours, times in which those representing business or development interests are better able to be in attendance.

Further, balance is often lost when the private sector is left to fend for environmental protection; members of the general public normally do not have the resources to commit to staying through a process from start to finish. An advocate will help to ensure consistent input on behalf of Hawaii's environment.

Your Committee invites your further attention to a companion bill, H.B. No. 82, which deals with an environmental intervenor, a complementary position to the advocate's, with separate and distinct functions.

The Energy and Environmental Committee voted to amend H.B. No. 103: on page 3, line 1-3 should be replaced with: "(8) Act as an environmental advocate on the public's behalf in public proceedings before any agency, and may sit as a non-voting, ex officio member on any environmental matter before the Board of Land and Natural Resources, the Board of Agriculture, and the Land Use Commission."

It is the understanding of your Committee that this bill can be implemented with no additional funds.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 103, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago and Takamine.

SCRep. 119 Energy and Environmental Protection on H.B. No. 207

The purpose of this bill is to allow the Director of Health to look into the environmental record of a solid or hazardous waste permit applicant before determining whether to award a contract to the applicant.

Testimony was presented by the State of Hawaii (Office of State Planning, Department of Health, UH Environmental Center), private industry, and various non-governmental organizations.

This bill is a product of the 1993 environmental summit, and its basic tenets have been arrived at by consensus in that process. This hearing provided the opportunity to work out details of how Hawaii will deal with environmental 'bad actors.'

Discussion centered around the issue of accountability for permit applicants: Should the applicant be required to disclose relevant history in the application process, or should the Department of Health solicit the information at its discretion?

How far back should disclosure go? How narrow or broad should the focus of disclosure be?

The Department of Health testified that the parameters should be narrowed to exclude facilities whose operations, such as greenwaste composting and aluminum recycling, pose few environmental risks.

Your Committee determined that a review of applicant history should go back to January 1, 1990; if no violations were found, there would be no need to investigate further; if violations were part of the applicant's record, the Department of Health would have the option of requiring further information.

Disclosure of the applicant's history is made mandatory; the Department of Health is granted the authority the use that information as it chooses.

Recognizing that your Judiciary Committee will need to examine various legal aspects of this bill, your Committee has passed H.B. #207, with the following amendment:

Page 4, lines 1-16 are deleted; they are replaced with the following:

"The department shall require all applicants for landfills, incinerators, municipal solid waste composting facilities and petroleum contaminated soil remediation facilities, excluding agencies of the federal government, to submit information regarding the applicant and any key personnel sufficient to demonstrate the ability to construct, modify, and operate the solid waste disposal system responsibly. Such information shall include prior and pending administrative, civil, and criminal actions under chapters 342B, 342D, 342H, 342I, 342J, 342L, 342N, 342P, any land use violation, or any other similar environmental law or regulatory scheme in any other jurisdiction that occurred after January 1, 1990; provided that the reporting requirement shall apply exclusively to those actions taken over the seven-year period immediately preceding the filing of the application."

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 207, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 207, H.D. 1, and be referred to your Committee on Judiciary.

Signed by all members of the Committee except Representatives Santiago and Takamine.

SCRep. 120 Energy and Environmental Protection on H.B. No. 215

The purpose of this bill is to establish a comprehensive environmental education program.

Testimony was heard from state agencies (Board of Land and Natural Resources, Office of Environmental Quality Control, Office of State Planning), the Hawaii Nature Center, the Sierra Club, and the Hawaii Environmental Education Association.

House Bill #215 is a product of the 1993 environmental summit. It passed both Houses last legislative session, but was vetoed due to a misunderstanding over funding resources.

Since 1970, the Office of Environmental Quality Control has been compiling information upon which to establish an environmental education database; they also have an extensive library of related materials.

The Hawaii Environmental Education Association began establishing a similar system several years ago; between the two organizations, and with the input that several others have offered, Hawaii is well on its way to establishing an environmental reference library.

The OEQC was deemed to be the appropriate placement for the program.

With the fiscal challenges facing Hawaii, your Committee felt that Section 4 should be re-worded; on page 6, line 9, the word "hire" was replaced with the word "select." Volunteers will be solicited to operate the environmental education clearinghouse, with a volunteer coordinator chosen from among them.

Because the restructuring of the state's environmental programs will produce more efficient operations, and due to the offers from the public private sector to participate in the environmental education program, your Committee deleted Section 5, dealing with appropriations, from this bill.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 215, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 215, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago and Takamine.

SCRep. 121 Energy and Environmental Protection on H.B. No. 231

The purpose of this bill is to require that energy efficiency standards be incorporated into the Countys' building codes and/or ordinances prior to December 31, 1996. It further makes the Model Energy Code (MEC) applicable to all new and renovated buildings, including state and county structures.

Testimony was presented by the Department of Business, Economic Development and Tourism, by Hawaiian Electric Company, and by the University of Hawaii's Environmental Center.

The intent and focus of this measure was supported by all testifiers. However, HRS 46-19.5 was revised by the Hawaii State Legislature in 1994, rendering certain aspects of the bill obsolete:

In 1988 the Department of Business, Economic Development and Tourism contracted with a nationally-recognized energy code firm to develop a Model Energy Code (MEC), which was based upon the requirements developed and approved by the American Society of Heating, Refrigeration and Air Conditioning Engineers, Incorporated (ASHRAE)'s #90.1, and other relevant codes. That approval process satisfied the Attorney General's Office requirement that only nationally-recognized standards could be referenced by legislation. The process underwent public scrutiny and examination by state and county Energy Task Force members, then was enacted into law as the revised HRS 46-19.5.

That law required counties to adopt ASHRAE standards by October 24, 1994. On October 27, 1994, the City and County of Honolulu adopted those standards, but excluded residential buildings up to three stories high. In November, 1994, the County of Hawaii followed suit, but exempted private residences up to two stories high. Kauai and Maui Counties will shortly comply; they are expected to introduce similar MEC legislation within a few months.

With this information, our Committee focussed its attention upon the areas not covered by the 1994 revisions of HRS 46-19.5: All state-subsidized facilities and residential dwellings.

While the entire range of components of the Model Energy Code would be beneficial for private dwellings, affordable housing considerations are equally important. Thus discussion centered around roof and hot water pipe insulation and the quick pay-back time in which savings begin to be realized after its installation: After an average of three years, installation costs (approximately \$700 for adding insulation when a "typical" home is re-roofed) are fully recovered. This short pay-back time, in combination with the relatively low cost of the insulation material itself, led to its favorable consideration by the Committee.

Further consideration was given to finding a mechanism by which other components of the MEC could be disseminated to architects, building code officials and engineers. The Department of Business, Economic Development and Tourism offered to provide the information at a series of relevant seminars which are already scheduled to occur over the next six months.

Your Committee's vote is to require full compliance with the entire Model Energy Code in all state-subsidized buildings and that its roof and water pipe requirements be met in all future residential dwellings.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 231, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kanohe.

SCRep. 122 Energy and Environmental Protection on H.B. No. 216

The purpose of this bill is to exempt the sale of electric vehicles, or conventional vehicles converted to electric operation, from the payment of general excise tax, until 10% of the vehicles in the state are electric-powered. The bill further provides tax credits for placing electric vehicles on charging devices; it also prohibits insurance surcharges on those vehicles.

Testimony was heard from the State's Departments of Taxation and Business, Economic Development and Tourism, from Hawaiian Electric Company, and from the Electric Vehicle Association of Hawaii.

The testimony clearly reflected a dilemma. On the one hand, all testifiers supported the concepts underlying the bill; we would like to promote the development of a productive new industry in Hawaii. Further, electric vehicles are approximately 300% more fuel efficient than internal combustion vehicles. Their use would significantly reduce our reliance on fossil fuels, and pollution levels would be significantly reduced with the use of these vehicles.

On the other hand, Hawaii's current financial crisis prevents the encouragement of tax credits when they could more appropriately be focussed on promoting the health of the already-established solar industry.

The Committee discussion primarily centered around these two themes. While support was lacking for the tax credits sections (Sections 1-3), support was given for the bill becoming a vehicle for further discussion of the development of alternative transportation forms in Hawaii. To that end, discussion finally centered on the latter parts of the bill, Sections 4-6, dealing with insurance concerns regarding electric vehicles.

Your Committee felt that surcharges for insurance coverage of electric vehicles would serve, in effect, to penalize those who sought to promote the development of this infant industry, and would therefore be inappropriate. For this reason, the Committee supports Sections 4-6 of this bill.

- (1) A typographical error on page 10, line 15 has been corrected: "rations" has been amended to read "ratios."
- (2) On page 11, line 12, INTRODUCED BY line was deleted.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. 216, as amended herein, and recommends it pass Second Reading in the form attached hereto as H.B. 216, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 123 Education on H.B. No. 1430

The purpose of this bill is to indemnify volunteers who provide services to a Parent-Teacher Association from liability resulting from the volunteer's act or failure to act while serving at a function or activity.

The Department of Education submitted testimony concurring with this measure.

Your Committee notes that this measure is applicable to all organizations that includes parents and teachers.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1430 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Lee, Santiago, Shon, Takai and Takamine.

SCRep. 124 Education on H.B. No. 1736

The purpose of this bill is to define the functions and objectives of the Parent-Community Networking Center Program.

The Department of Education submitted testimony concurring with the intent of this measure. A concerned citizen testified on this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1736 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Arakaki, Lee, Santiago, Shon, Takai and Takamine.

SCRep. 125 Ocean Recreation and Marine Resources on H.B. No. 743

The purpose of this bill is to authorize the State to use county lifeguard services at any state beach park if the county and the Department of Land and Natural Resources agree that the services are necessary.

Testimony in support of this measure was submitted by the Department of Health. The Department of Land and Natural Resources while supporting the bill's intent was unable to endorse this bill due to budget constraints.

Your Committee on Ocean Recreation and Marine Resources is aware that many beaches are hazardous and present a potential threat to public safety. Your Committee also recognizes that all state beaches should be considered for lifeguard services regardless if they are designated as state beach parks or state beaches. Further more, your Committee is aware of the need for additional resources to be designated for these purposes. In spite of that, given the States' present fiscal condition no appropriation recommendations are being made at this time. For these reasons, your Committee did not make any amendments to H.B. 743.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 743 and recommends that it pass Second Reading and be referred to the Committee on Intergovernmental Relations and International Affairs.

Signed by all members of the Committee except Representative Anderson.

SCRep. 126 Tourism on H.B. No. 579

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

Your Committee received testimony in support of this bill from the Department of Business, Economic Development and Tourism, the Aloha Festivals, the Outrigger Prince Kuhio, MT Kaneshiro Inc., Honolulu Publishing Company, and the Hawaii Hotel Association.

Your Committee finds that, although the festival started as a visitor promotion, it has taken on a greater significance as a local event and a celebration of Hawaiian culture.

The nationally televised parade splashes Hawaii's color and pageantry across TV screens across America during the Macy's Thanksgiving Parade Special, giving priceless media exposure promoting travel to Hawaii.

Your Committee revised the bill by:

- (1) Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill; and
- (2) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 579, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 127 Human Services and Health on H.B. No. 1806

The purpose of this bill is to extend the sunset date of Act 165, Session Laws of Hawaii 1994, relating to the creation of a new category of adult residential care home or community-based residence qualified to serve nursing facility level clients in the State, from 1996 to 1997.

Testimony from the Department of Human Services, Child and Family Service, the Department of Health, the Honolulu County Management Advisory Committee, Adult Day Centers of Hawaii, the Hawaii Nurses' Association, the Research Center of Hawaii, Social Factors International, Ltd., the Kokua Council and St. Francis Medical Center was received in support of this measure.

It is noted by your Committees that the Waitlist Demonstration Project is an effort to identify and address major problems with Hawaii's long-term care delivery system. There has been significant progress and accomplishments since the Project was initiated in 1994. Among those include the training needs assessment survey and a training curriculum to upgrade care home operator skills. Planning for the project is well underway, however, implementation has not yet taken place due to the lack of approval of the necessary Medicaid waiver and the difficulties of establishing appropriate regulations for this new level of care. The extension of time, while keeping the Project alive, would also allow the Department of Human Services to plan Phase II of the Quest Program.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1806, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1806, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Arakaki.

SCRep. 128 Higher Education and the Arts on H.B. No. 1716

The purpose of this bill is to create a University of Hawaii-Hilo revolving fund into which is deposited fees, charges, and other moneys collected in conjunction with the University of Hawaii-Hilo theatre program.

The University of Hawaii at Hilo testified in favor of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1716 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Stegmaier and Yonamine.

SCRep. 129 Higher Education and the Arts on H.B. No. 1797

The purpose of this bill is to remove general excise tax exemption for degree-granting educational corporations that are not licensed by a state agency or accredited by an accrediting agency recognized by the Secretary of Education.

The Tax Foundation of Hawaii submitted written testimony on HB 1797. The Department of Commerce and Consumer Affairs testified on this bill. Kennedy-Western University testified in opposition to the measure.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1797 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Stegmaier and Yonamine.

SCRep. 130 Higher Education and the Arts on H.B. No. 1948

The purpose of this bill is to enact a technical amendment relating to full-time employees in the exempt professional and technical category at the Hawaii Public Broadcasting Authority.

The Hawaii Public Broadcasting Authority testified in support of the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1948 and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Santiago, Stegmaier and Yonamine.

SCRep. 131 Judiciary on H.B. No. 314

The purpose of this bill is to authorize the sentencing court to impose a monetary assessment on criminal defendants who are convicted of certain drug offenses or who have received deferred pleas for those offenses and to allocate all monies assessed into a special account fund to be used to supplement drug treatment programs.

Your Committee received testimony in support of this bill from the Department of the Prosecuting Attorney and the Honolulu Police Department, and in opposition from the Office of the Public Defender.

Your Committee finds that convicted drug offenders should assume a portion of the financial burden of drug rehabilitation, as these persons are, in part, responsible for creating the drug problem. Further, drug offenders often benefit from drug treatment programs and should, when appropriate, shoulder the burden in providing monies for their own treatment and rehabilitation.

Your Committee intends that the drug demand reduction assessments special account created under this bill will be used to supplement general funds allocated for drug treatment programs. By no means does this bill intend to supplant funding for drug treatment programs from the general fund. Indeed, in light of the importance of reducing the demand for drugs, it is crucial that general fund allocations for drug treatment programs not decrease as a result of this bill.

Your Committee has amended this bill by renaming the "drug demand reduction assessments special fund" as the "drug demand reduction assessments special account". Additionally, in order to assess the impact of this bill, your Committee has inserted into the bill a sunset provision.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 314, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 314, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo, Menor and Yoshinaga.

SCRep. 132 Judiciary on H.B. No. 1266

The purpose of this bill is to increase the number of intermediate appellate court judges from four to nine.

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

Your Committee finds that there has been a substantial increase in appellate court case filings since the addition of the three member Intermediate Court of Appeals (ICA) in 1980. Your Committee finds that Hawaii's appellate courts are experiencing difficulty in disposing of the current appellate court case load in a timely manner and that the backlog of pending appellate cases will continue to increase.

Although your Committee recognizes the need for two, three member panels of intermediate appellate court judges, we are uneasy with the prospect that the Judiciary may transfer appropriations from other programs and operations to establish the fifth and sixth ICA judgeships. The Judiciary testified that this bill was simply an authorization measure and that it would subsequently request specific funds for the additional judgeships. Your Committee agrees that this would be the proper way to proceed. However, we remain skeptical of the Judiciary's future actions in light of the State Auditor's recently completed "Audit of the Judiciary's Management of Its Resources".

The Auditor's report found that the Judiciary "makes 'leveling adjustments' or shifts among categories within an appropriation, and it makes transfers among appropriations. These actions impair planned use of resources and lead to questions about the real budget needs of the Judiciary." Indeed, according to the report, the Judiciary transferred \$101,560 of an appropriation mandated for two district court per diem judges to handle DUI cases to fund the establishment of the fourth ICA judgeship. The Auditor's report concluded that the Judiciary did not expend legislatively mandated appropriations in accordance with legislative intent.

In its response to the Auditor's report, the Judiciary stated that "[i]n approving the [4th] judgeship but not providing the resources to fully fund the required actions, the Legislature tacitly acknowledged that the Judiciary would have to obtain the required resources through the transfer of existing appropriations." Your Committee emphatically stresses that this bill does not tacitly approve of the diversion of existing or future appropriations to fund the fifth and sixth ICA judgeships. Simply put, there must be a specific appropriation for the additional associate judge positions. If the Judiciary acts otherwise, it will circumvent legislative intent.

Your Committee has amended this bill by authorizing the addition of two, rather than five, ICA associate judges.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1266, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1266, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo and Yoshinaga.

(Representative Thielen voted no.)

SCRep. 133 Judiciary on H.B. No. 1833

The purpose of the bill is to increase the fee for filing a name change petition from \$10 to \$20.

The Office of the Lieutenant Governor testified in support of this measure.

Your Committee finds that the processing costs for name change applications have increased over the years yet the filing fee has remained constant since 1985. This measure would allow the State to recoup the expense incurred for the processing of these applications.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1833 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo, Menor, Saiki and Yoshinaga.

SCRep. 134 Judiciary on H.B. No. 1873

The purpose of this bill is to establish within the Department of the Attorney General a public integrity and white collar crime unit.

Your Committee received testimony in support of this bill from the Department of the Attorney General and the Hawaii State Ethics Commission.

Your Committee finds that public corruption and unethical conduct have eroded confidence in government. Your Committee believes that strict enforcement of ethical standards and the criminal laws is necessary to allay public concern over the integrity of governmental operations and of government officials.

This bill establishes a specialized public integrity and white collar crime unit within the Department of the Attorney General to vigorously enforce the highest standards of ethics in government and to uncover public corruption and white collar crime activity. The creation of this unit enables the State to devote additional resources to combat the ills of public corruption and white collar crime. The creation of a specialized unit also serves to hold the State directly accountable to its existing role of investigating public misconduct.

Because the criminal justice division of the Department of the Attorney General already has responsibility for investigating public misconduct and white collar crime, your Committee was concerned with the potential duplication of activities between a specialized public integrity and white collar crime unit and the Department of the Attorney General's criminal justice division and investigation section. Accordingly, this bill was amended by designating the location of the public integrity and white collar crime unit in the criminal justice division of the Department of the Attorney General and the investigative arm of the unit in the investigations section of the Department of the Attorney General.

Your Committee was also concerned with the exemption from civil service requirements of the investigators, auditors, and other personnel in the public integrity and white-collar crime unit. Your Committee believes that if such personnel were appointed and could be terminated at will, there may be a perception of the presence of political influence in the very unit that was deemed responsible for ensuring compliance with the highest ethical standards.

Moreover, presently the investigative personnel in the Department of the Attorney General are subject to the requirements of the civil service laws, and exempting the new unit's personnel from the laws would be inconsistent. Accordingly, your Committee has amended this bill by subjecting all employees of the public integrity and white collar crime unit, except attorneys, to the civil service laws.

Your Committee has also amended this bill by adding a findings and purpose clause in section 1 and making technical, non-substantive amendments. Additionally, in order to avoid any limitation on the unit's investigative powers with respect to government fraud, "contract" has been deleted in subsection (a)(2). Finally, the bill has been amended by replacing the requested appropriation amount of \$250,000 with an indeterminate figure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1873, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1873, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo, Menor, Saiki and Yoshinaga.

SCRep. 135 Judiciary on H.B. No. 2022

The purpose of this bill is to allow the court to order restitution to be paid to the Criminal Injuries Compensation Commission in the event that the victim has applied for compensation with the Commission.

The Criminal Injuries Compensation Commission testified in support of this measure.

Your Committee finds that the Criminal Injuries Compensation Commission exhausts the funds it receives from state appropriations, federal grants, and inmate wages prior to the end of the fiscal year. This measure would allow the Commission to utilize court ordered restitution for those victims making claims for compensation with the Commission.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2022 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo, Menor, Saiki and Yoshinaga.

SCRep. 136 Judiciary on H.B. No. 2030

The purpose of this bill is to clarify and update the law with respect to bulk sales by:

- (1) Barring the issuance of a bulk sale certificate if any tax return of the seller is being examined by the Department of Taxation;
- (2) Providing that no statute of limitation applies to the assessment and collection of the bulk sale liability;
- (3) Providing definitions for the terms "property", "purchaser", "purchase price", "seller" and "transfer"; and
- (4) Imposing a criminal penalty and fine for persons who willfully fail to make the required bulk transfer report.

The Department of Taxation and the Tax Foundation of Hawaii testified in support of this measure.

Your Committee finds that the current bulk sales law is outmoded and has often been interpreted to apply only to sales of tangible inventory. This measure updates the bulk sales law to broaden its application so that it may better apply to today's transactions.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2030 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo, Menor, Saiki and Yoshinaga.

SCRep. 137 Judiciary on H.B. No. 181

The purpose of this bill is to allow fingerprints of minors, thirteen years or older, who are taken into custody for committing an act, which if committed by an adult would be a felony, or for breaking and entering into a motor vehicle, to be entered into the automatic fingerprint identification system without a court order.

The Judiciary, the Department of the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Honolulu Police Department, submitted testimony in support of this measure.

Your Committee finds that the Automatic Fingerprint Identification System (AFIS) has proven to be an effective tool for law enforcement in determining culpability based on fingerprint analysis. The inclusion of juvenile fingerprints in AFIS provides an important investigative resource to address the increasing rate of juvenile crimes. The rights of juveniles must be balanced against the public's right to expect that law enforcement personnel have resources available to identify fingerprints recovered from crime scenes.

Therefore, this bill has been amended to:

- (1) Lower the minimum age of a minor subject to this section from thirteen to twelve years of age;
- (2) Provide that, if the child is not adjudicated a law violator, and there is no record of prior adjudication, the court shall notify the Department of the Attorney General to have the fingerprint records purged from the identification system; and
- (3) Give the bill retroactive effect to all applicable law violators who have not attained the age of twenty years by the date upon which this bill is enacted.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 181, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 181, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, McMurdo, Menor and Yoshinaga.
(Representative Saiki voted no.)

SCRep. 138 Hawaiian Affairs and Housing on H.B. No. 973

The purpose of this bill is to determine whether ho'oponopono can be a cost-effective means of alleviating some of the heavy caseloads currently experienced by the courts in this State. Ho'oponopono is a traditional alternative dispute resolution technique.

This bill authorizes the use of ho'oponopono by the Family Court as well as by the Attorney General relating to child support enforcement. It also directs the Judiciary to administer a three-year ho'oponopono demonstration project with

referrals from the Family Court of the First Judicial Circuit. The sum of \$143,000 is appropriated to implement this demonstration project for one fiscal year.

The Family Court, First Circuit, the Office of Child Support (Attorney General's Office), the Office of Hawaiian Affairs, the Child and Family Service, the Native Hawaiian Bar Association, and Ka Lahui Hawaii testified on this bill. The Child and Family Service was concerned about authorizing the use of ho'oponopono in domestic violence situations, specifically those in which a temporary restraining order is sought. It indicated that by the time such an order is obtained, the victim's life is usually in great danger. For this reason, working with the victim and the perpetrator together at this point in the relationship can be dangerous. Accordingly, the Child and Family Service recommended that Section 8 of the bill be deleted.

According to the Office of Child Support, the proposed language in Section 7 of the bill may not be appropriate. This section authorizes the Attorney General to determine whether a case should be referred to a haku (an individual trained in the practice of ho'oponopono). The Office of Child Support indicated that by the time the Attorney General's Office gets involved with child support enforcement cases, it is too late in the process to apply ho'oponopono.

Your Committee concurs with the recommendations of both the Child and Family Service and the Office of Child Support and has amended this bill by:

- (1) Deleting Sections 7 and 8; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 973, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 973, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 139 Health on H.B. No. 289

The purpose of this bill is to prohibit the distribution of sample tobacco products and promotional materials within 1000 feet of any school attended by minors. Distribution is also prohibited on any public street, sidewalk, and park. The bill provides an exception for commercial buildings.

The Committee received support for this bill from the Department of Health, American Cancer Society, Interagency Council on Smoking and Health, American Lung Association of Hawaii, Hawaii Medical Association, American Academy of Pediatrics, Office of Children and Youth, and Kaiser Permanente.

The Committee recognizes that there has been a steady increase of regular tobacco use amongst children and youth. This bill will provide some meaningful assistance in dealing with this growing problem.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 289 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 140 Health on H.B. No. 894

The purpose of this bill, as received by your Committee, was to extend the sunset date from June 30, 1995, to June 30, 1999, for the general concept of authorizing special purpose revenue bonds to be issued and used to finance health care facilities.

The Healthcare Association of Hawaii strongly supported this bill. The ability to finance capital projects with special purpose revenue bonds allows Hawaii's health care industry to provide high quality care at a reasonable cost due to the lower interest rates associated with this type of bond. The financing of health care facilities with special purpose revenue bonds was first authorized in 1980 and has since proven to be of value.

Your Committee finds that a sunset provision is no longer necessary since this type of health care financing has been proven to help control health care costs.

The bill has been amended deleting the sunset provision. This amendment would have the effect of indefinitely authorizing the issuance of special purpose revenue bonds to finance health care facilities.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 894, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 894, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 141 Health on H.B. No. 1559

The purpose of this bill is to delete the repeal date of Act 70, Session Law 1992, relating to primary health care. Act 70 has been important in the development of community based services which reach vulnerable and underserved

populations. It is the intent of the Committee that the Department of Health continue to support existing primary health care clinics and develop such clinics where services are needed.

Testimony in support of this bill was received from the Department of Health, the State Health Planning and Development Agency, and the Hawaii Nurses Association.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1559 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki, Stegmaier and Anderson.

SCRep. 142 Education on H.B. No. 420

The purpose of this bill is to allow teachers to attend conferences, seminars, or meetings and to receive leaves with pay whether or not the conferences, seminars, or meetings are sanctioned or sponsored by the State or the Department of Education.

The Department of Education submitted testimony in support of the bill's concept.

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

- (1) Inserting a new section appropriating \$1 for the purposes of continued discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 420, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 420, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Arakaki, Lee, Pepper, Takamine, Takumi and Yonamine.

SCRep. 143 Education on H.B. No. 652

The purpose of this bill is to protect the health and safety of students on public school campuses by:

- (1) Allowing the School/Community-Based Management (SCBM) council of a school to adopt a reasonable dress code, including a uniform dress code, or to prohibit students from wearing gang-related apparel, or both;
- (2) Allowing schools that have not been authorized by the Board of Education (BOE) to implement SCBM, to adopt a reasonable dress code, including a uniform dress code, or to prohibit students from wearing gang-related apparel, or both; and
- (3) Requiring the dress code and prohibition to be consistent with rules adopted by the BOE.

The Chamber of Commerce of Hawaii and the Police Department for the City and County of Honolulu submitted testimony in support of this measure. The Department of Education did not support this measure.

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

- (1) Mandating the Board of Education to adopt rules for schools that have not been authorized to implement SCBM to establish reasonable dress codes;
- (2) Deleting the phrase "uniform dress code"; and
- (3) Making technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 652, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Lee, Shon and Takamine.

SCRep. 144 Education on H.B. No. 1101

The purpose of this bill is to appropriate funds for the Parent-Community Networking Center Program (Program).

Testimony in support of the intent of this bill was received from the Department of Education.

Upon consideration, your Committee has amended this bill by:

- (1) Changing the appropriation sums from \$1,041,397 for fiscal year 1995-1996 and \$728,978 for fiscal year 1996-1997, to \$1 for each year of the 1995-1997 fiscal biennium to facilitate further discussion;

- (2) Deleting the number of schools that the Program would be expanded to; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Although your Committee has reduced the appropriation amounts in view of the various fiscal constraints and priorities, nevertheless your Committee respectfully requests your Committee on Finance to appropriate the maximum amounts possible.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1101, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee and Takamine.

SCRep. 145 Education on H.B. No. 1456

The purpose of this bill is to make an appropriation for continuous in-service training for teachers of the Department of Education.

The Department of Education submitted testimony in support of the intent of this measure.

Your Committee emphasizes that any funds appropriated to the Department of Education for teacher in-service training be used expressly for those purposes, and respectfully requests that the Finance Committee consider including a proviso to assure compliance.

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

- (1) Appropriating \$1 for the purposes of continued discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1456, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1456, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Arakaki, Takamine, Takumi and Yonamine.

SCRep. 146 Education on H.B. No. 1469

The purpose of this bill is to provide additional funding for the Department of Education's Conflict Management Program.

This additional funding will:

- (1) Accommodate an increase in participation requests by Neighbor Island schools;
- (2) Provide travel support for annual statewide conferences; and
- (3) Offer in-service training to neighbor island faculties and staffs.

The Department of Education testified in favor of the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1469 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Santiago, Shon and Takamine.

SCRep. 147 Education on H.B. No. 1632

The purpose of this bill is to establish an Advisory Legislative Task Force on Parental Responsibility in Education to find the best solutions to motivate children to learn in schools.

The Hawaii State Teachers Association testified in support of this measure. The Department of Education submitted testimony concurring with the intent of this measure. A concerned citizen also testified on this measure.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1632, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1632, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Arakaki, Lee, Santiago, Shon and Takamine.

SCRep. 148 Education on H.B. No. 1819

The purpose of this bill is to transfer the authority and supervision over the state's private schools from the Department of Education to a Private School Licensing and Certification Commission.

The Hawaii Association of Independent Schools submitted testimony in support of this measure. The Department of Education submitted testimony in support of the intent of this measure.

Your Committee has amended this bill by appropriating \$1 for the purpose of facilitating further discussion.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1819, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Arakaki, Morihara, Takai, Takamine, Yonamine and Halford.
(Representative Lee voted no.)

SCRep. 149 Education on H.B. No. 1746

The purpose of this bill is to establish an incentive and merit pay program within the Department of Education for experienced and qualified teachers who accept assignments at schools in rural or at-risk communities.

The Department of Education submitted testimony in support of the intent of this measure. The Hawaii State Teachers Association submitted comments and various proposals on this measure.

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

- (1) Directing the Hawaii Housing Authority to establish a strategic plan and implementation timetable for providing additional housing to teachers in rural communities and communities that include at-risk schools;
- (2) Directing the Department of Education to prioritize the problems and difficulties of teachers in rural or at-risk schools on Oahu, as well as a separate prioritization of the problems and difficulties of teachers in rural or at-risk schools on the Neighbor Islands; and to report its findings and recommendations to the Legislature; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1746, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1746, H.D. 1, and be referred to the Committee on Hawaiian Affairs and Housing.

Signed by all members of the Committee except Representatives Arakaki, Takamine and Yonamine.

SCRep. 150 Education on H.B. No. 2251

The purpose of this bill is to authorize the inclusion of reemployed educational officers and teachers into a collective bargaining unit.

The Hawaii State Teachers Association submitted testimony in support of this measure. The Department of Education submitted testimony in support of the concept of the bill.

Your Committee notes that the rehiring of employees is necessary in anticipation of the unfortunate loss of many qualified teachers who have taken advantage of the early retirement incentive.

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

- (1) Clarifying that the Superintendent of Education has the authority to establish limited term salaried principal, vice-principal, and classroom teacher positions;
- (2) Clarifying that reemployed qualified retired employees will be hired at forty-nine percent full-time equivalents (FTE) as deemed appropriate by the Superintendent of Education;
- (3) Deleting Section 3 which required the Department of Education to adopt rules to implement the rehiring of employees; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2251, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2251, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Arakaki, Takamine, Takumi and Yonamine.

SCRep. 151 Hawaiian Affairs and Housing on H.B. No. 752

The purpose of this bill is to ensure that Hawaiian homestead beneficiaries and applicants be consulted on current and future water reserves and development which may affect them. This would be accomplished by:

- (1) Requiring the Department of Hawaiian Home Lands to publish a notice informing beneficiaries and applicants that a water reservation process is being initiated;
- (2) Providing beneficiaries with the opportunity to establish water management and planning advisory groups on each island; and
- (3) Authorizing the advisory groups to participate in the planning process of water development and assessment.

The sum of \$100,000 is appropriated to, among other things, contract with professional and technical experts to support the work of the advisory groups.

The Department of Hawaiian Home Lands (DHHL) and the Office of Hawaiian Affairs (OHA) supported the intent of this bill. The OHA expressed serious reservations regarding the difficult standards for the DHHL to meet in implementing this bill. The DHHL recommended that the requirements in the bill should be less specific to allow for greater flexibility. It was also concerned that the appropriation would not offset the additional costs and workload requirements proposed in this bill.

Also submitting testimony in support of this bill were the State Council of Hawaiian Homestead Associations (SCHHA), the Association of Hawaiian Civic Clubs, and the Hawaiian Home Lands Action Network. An interested citizen also submitted comments.

After reviewing the testimony, your Committee has amended this bill by:

- (1) Requiring that any affected beneficiary or applicant shall be "notified" rather than "consulted" regarding water reserves and development (page 4, line 14);
- (2) Requiring the DHHL to publish a notice in the newsletter of the Department of Land and Natural Resources (DLNR) whenever the DHHL is considering water reserves and development (page 5, line 5);
- (3) Requiring the Commission on Water Resource Management to publish a notice in the newsletter of the DLNR whenever the commission receives an application or is before a pending decision which may affect beneficiary water rights (Page 5, line 9);
- (4) Requiring advisory groups to "participate in" rather than "oversee" the process of water planning and development (page 6, line 5);
- (5) Authorizing the the advisory groups to "assist" in determining water requirements rather than mandating that the advisory groups determine water requirements (page 6, line 8);
- (6) Replacing the \$100,000 appropriation with \$1 for the purposes of continued discussion (Section 2); and
- (7) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 752, H.D. 1, and be referred to the Committee on Water and Land Use Planning.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 152 Hawaiian Affairs and Housing on H.B. No. 753

The purpose of this bill is to broaden the provisions relating to the Hawaiian Home Lands Trust Individual Claims Review Panel (Review Panel) by:

- (1) Giving individual claimants the option of filing their claims directly in the circuit court;
- (2) Allowing a class of Hawaiians or native Hawaiians to sue directly in the circuit court;
- (3) Extending the deadline for bringing an action in the circuit court; and
- (4) Requiring the court to assess a reasonable sum against a non-prevailing party for a frivolous claim.

Currently, the Review Panel has jurisdiction to hear claims brought by individual beneficiaries of the Hawaiian Home Lands Trust for breaches of trust that occurred between August 21, 1959, and June 30, 1988. Only beneficiaries of the Hawaiian Home Lands Trust can now bring claims, and these claims must be individual and not class claims. Settlement through the Review Panel allows for an informal and flexible deliberations without strict rules governing process and decorum.

The Review Panel testified that:

- (1) If beneficiaries feel they are able to file claims in the circuit court at a later date, they may refrain from filing their claims with the Review Panel before the August 31, 1995, deadline; and
- (2) Going to court is not a simple proposition, involving greater expense and a more complex legal process than that offered by the Review Panel.

Among other testimony received:

- (1) The Department of Hawaiian Home Lands opposed the bill, pointing out that the individual claims process has not been given an opportunity to work; and
- (2) The Office of Hawaiian Affairs, Ka Lahui Hawaii, and the Association of Hawaiian Civic Clubs supported this bill.

Concern was expressed whether "a class of Hawaiians" as well as native Hawaiians should be allowed to file claims. The amendment may lead to an overwhelming influx of claims. Since any breaches of trust would have affected only beneficiaries who are by definition native Hawaiians, the suit should be limited to native Hawaiians.

After reviewing the testimony, your Committee on Hawaiian Affairs and Housing amended the bill by:

- (1) Deleting the proposed definition of "Hawaiian" by deleting Section 3 of this bill;
- (2) Deleting the "frivolous claims" liability clause by deleting Section 8 of this bill; and
- (3) Making technical and stylistic changes for the purposes of conforming the language of the bill to the above amendments.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 753, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 753, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 153 Hawaiian Affairs and Housing on H.B. No. 1743

The purpose of this bill is to strengthen the Hawaiian language which has been designated as an official language of the State under Article XVI, section 4, of the Constitution of the State of Hawaii. This bill would appropriate funds to enable the University of Hawaii at Hilo to develop a masters of arts program in Hawaiian language and literature. The University of Hawaii at Hilo has been designated as the campus within the University of Hawaii system with special responsibility for the Hawaiian language.

The bill proposes a \$110,000 appropriation to the University of Hilo for the purposes of:

- (1) Developing a masters of arts in the Hawaiian language and literature; and
- (2) Maintaining and strengthening the bachelors of arts program in Hawaiian studies.

The Office of Hawaiian Affairs, University of Hawaii at Hilo, and Hale Kuamo'o Hawaiian Language Center in Hilo testified in support of the intent of this measure. All testimony indicated a need for an advanced degree program in the Hawaiian language. This was coupled with testimony stating that the demand currently exists within the student body to pursue a masters degree in the Hawaiian language.

However, the testimony from the University of Hawaii at Hilo indicated that the Board of Regents have yet to approve the proposal for such a program. For this reason and also in light of the current budgetary constraints faced by the campus, the university cannot fully support this bill.

Your Committee recognized the need to establish a masters program in the study of the Hawaiian language and literature yet acknowledged the fiscal reality. Therefore, the Committee on Hawaiian Affairs and Housing amended the appropriation in this bill by inserting \$1 for the purpose of continuing discussion.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1743, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1743, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Hamakawa.

SCRep. 154 Higher Education and the Arts on H.B. No. 374

The purposes of this bill are to:

- (1) Amend the definition of "degree granting institution" to exempt state institutions;

- (2) Amend the definition of "unaccredited institution" to include any institution not fully accredited including one that is provisionally accredited, preaccredited, or a candidate for accreditation;
- (3) Require a specific statement in catalogs, promotional materials, and written contracts for instruction for an unaccredited institution that the institution is not licensed, authorized, endorsed, accredited, or registered by the State as a degree granting institution; and
- (4) Establish sanctions for unaccredited institutions which do not disclose the required information noted in the previous paragraph.

The University of Hawaii, the Department of Commerce and Consumer Affairs, and a representative of Kennedy-Western University testified on this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 374 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Santiago, Stegmaier and Yonamine.

SCRep. 155 Higher Education and the Arts on H.B. No. 375

The purpose of this bill is to repeal:

- (1) The requirement to register unaccredited educational institutions; and
- (2) The prohibition against referring to this registration suggesting the institution is licensed, approved, or regulated by the State.

The Department of Commerce and Consumer Affairs strongly supported the passage of this measure. The University of Hawaii and a representative of Kennedy-Western University also provided testimony on the bill.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 375 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Santiago, Stegmaier and Yonamine.

SCRep. 156 Higher Education and the Arts on H.B. No. 798

The purpose of this bill is to expand the tuition waiver offered to veterans to attend the University of Hawaii, to include veterans who served in peace-keeping operations abroad.

The Office of Veterans Services of the State of Hawaii Department of Defense submitted testimony in support of the purpose and intent of this measure. The University of Hawaii also testified on this measure.

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

- (1) Clarifying that the waiver of tuition fees applies to veterans who served in a peace-keeping or humanitarian operation abroad;
- (2) Deleting the phrase "as directed by the President of the United States of America"; and
- (3) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 798, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Stegmaier and Yonamine.

SCRep. 157 Transportation on H.B. No. 123

The purpose of this bill is to provide funding for both the state and the county for the establishment of bikeways and bike facilities.

Your Committee on Transportation finds that there is overwhelming public support for establishing bikeways and bike facilities on state and county roadways. Existing bikeways are inadequate and funding has not been made available to implement the many projects that have been planned.

Your Committee further finds that bikeways offer numerous transportation, health, and economic benefits. However, bicycle safety has been raised as a major concern of those who enjoy bicycling on existing paths and roads. Your Committee recommends continuation of bicycle and motorist education programs in addition to the proposed bill providing more adequate bikeways and bike facilities.

The Department of Transportation provided testimony in support of the intent of the bill but does not believe a dedicated funding source is necessary.

Your Committee received testimony in support of this bill from the City and County of Hawaii, the Office of Environmental Quality Control, the Office of State Planning, the Hawaii Green Party, People's Advocacy for Trails Hawaii, Waimea Main Street, Haleiwa Main Street, Hawaii's Thousand Friends, Folks for Spokes, bike shop owners, and numerous private citizens.

Testimony in opposition to this bill was received from the City and County of Honolulu's Department of Public Works which objects to being mandated by the state to expend county funds in a prescribed manner.

Your Committee has amended the bill to:

- (1) Clarify the funding provision;
- (2) Delete the subsection allowing an exemption from bikeways in rural areas; and
- (3) Make technical, nonsubstantive changes for purposes of style and clarity.

These amendments were intended to facilitate better cooperation between the state and counties, more fully reflect the intent of the bill which is to provide bikeways and bike facilities in the maximum number of areas possible and to provide a safe and enjoyable means of transportation.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 123, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 123, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 158 Transportation on H.B. No. 183

The purpose of this bill is to expedite the registration of new vehicles.

Your Committee on Transportation finds that long lines ensue under the present law in which the Directors of Finance of the counties are responsible for registering new vehicles.

The proposed legislation allows the Directors of Finance to enter into contracts for the registration of new motor vehicles.

Testimonies in favor of this bill were heard from the City and County of Honolulu and from the Hawaii Automobile Dealers' Association. Under this bill the Counties and the automobile dealers can enter into contracts, by which the dealers may title and issue license plates for new vehicles.

The issue was raised as to why this arrangement could not also apply to used vehicles. One answer was that records of previous owners are kept by the counties, and this is privileged, not public, information.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 183 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 159 Transportation on H.B. No. 1173

The purpose of this bill is to extend the provisions of the traffic code relating to obedience to the traffic laws to privately-maintained roads used by the general public.

Your Committee on Transportation finds that obedience to present traffic laws, Section 229C-21, Hawaii Revised Statutes, applies only to vehicles on public highways. Your Committee further finds that law enforcement officers have no jurisdiction over traffic violations on privately-maintained roads used by the general public. This results in a problem of violations of speed limits, drinking while driving, driving without licenses, running stop signs, having no insurance, and using expired license plates. Accidents have occurred in which people have been injured and killed. Problems are especially acute in subdivisions where there may be many miles of privately-maintained streets.

The proposed legislation extends traffic laws to privately-maintained roads used by the general public, providing for the same enforcement provisions and actions as for public highways.

Supportive testimonies were received from the County Council, County of Hawaii; the District Court of the Third District; the Hawaiian Ocean View Estates Road Maintenance Corporation; a volunteer firefighter; a person whose father was killed in a traffic accident by a speeding motorist using a forged insurance card and stolen safety sticker. The Office of the Corporation Council, County of Hawaii, testified in favor of the intent of this bill, and offered several suggestions for making a more comprehensive approach to solving traffic control problems.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1173 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

The purpose of this bill is to expand the use of State highway funds for an alternative to motor vehicles as a mode of transportation.

Your Committee on Transportation finds that there are many hazards to pedestrian traffic which deter people from walking, rather than utilizing motor vehicles, including:

- (1) There may be no sidewalks;
- (2) Shoulders may be too narrow, forcing people to share roadways with motor vehicles;
- (3) There may be poor or no illumination at night, causing problems for both motorists and pedestrians;
- (4) Highways, especially in rural areas, may be too narrow for sharing by motorists and pedestrians; and
- (5) Motorists, who exceed speed limits, present an additional danger for pedestrians.

Your Committee recognizes that more people would walk, rather than use motor vehicles for short trips, if pedestrians had less hazardous walking conditions.

This bill provides that pedestrian paths be constructed within the State highway system as an allowable expenditure from the State Highway Fund.

Testimonies in support of this measure were received from the Department of Transportation and from the Hawaii Green Party. A testifier expressed concern about the use of pedestrian paths for wheel chairs. The Department of Transportation reported that the law, both Federal and State, requires compliance with specifications in the Uniform Accessibility Standards for highway facilities, relating to accessibility for the disabled.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1712 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 163 Transportation on H.B. No. 2053

The purpose of this bill is to update the programs for which the Department of Transportation is responsible.

Your Committee on Transportation finds that the Department of Transportation (DOT) is statutorily responsible for Transportation Demand Management (TDM) programs, from which telecommuting and pedestrian programs are omitted in the present statute.

The proposed legislation amends Section 26-19, Hawaii Revised Statutes, by recognizing TDM programs as a separate program function from Transportation Systems Management (TSM) programs, and including telecommuting and pedestrian programs as TDM programs for which DOT is responsible. The Highway Division of DOT has responsibility for TSM programs and the Public Affairs Office has functional responsibility for TDM programs.

DOT testified in favor of the proposed legislation as a housekeeping measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2053 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Suzuki.

SCRep. 164 Ocean Recreation and Marine Resources on H.B. No. 840

The purpose of this bill is to transfer the Marine Patrol Unit of the Department of Public Safety to the Department of Land and Natural Resources.

Your Committee received testimony in support of this bill from The Ocean Recreation Council of Hawaii, and testimony supporting the intent of the bill from the Department of Land and Natural Resources. The Ala Wai Marina Committee, Paradise Cruise, Ltd., and private citizens also submitted testimony.

In 1992, the State Auditor recommended that the Marine Patrol Unit be transferred to the Department of Land and Natural Resources. Your Committee concurs with this recommendation and agrees that placement of the Marine Patrol Unit within the Department of Land and Natural Resources would result in better coordination of recreational boating regulations, programs, and services. The Division of Boating and Ocean Recreation already is within the Department of Land and Natural Resources.

Your Committee expects that placement of the Marine Patrol Unit within the Department of Land and Natural Resources will clarify the purpose of the Marine Patrol Unit which is to enforce state boating laws. Many testifiers expressed concern that the Marine Patrol Unit currently undertakes activities that could be handled by the police or fire departments of each county.

Your Committee has amended this bill by:

- (1) Clarifying the purpose of the bill;
- (2) Changing Section 2 to clearly state that the primary purpose of the Marine Patrol Unit is to enforce state boating laws;
- (3) Deleting Sections 3 and 4;
- (4) Making the transfer of the Marine Patrol Unit from the Department of Public Safety to the Department of Land and Natural Resources effective July 1, 1996; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 840, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 840, H.D. 1, and be referred to the Committee on Public Safety and Military Affairs.

Signed by all members of the Committee except Representative Anderson.

SCRep. 165 Ocean Recreation and Marine Resources on H.B. No. 251

The purpose of this bill is to require the chairperson of the Board of Land and Natural Resources, prior to certifying a shoreline, to publish a public notice in the periodic bulletin of the Office of Environmental Quality Control. The publication shall identify the certification by tax map key number, and if applicable, street address and nearest town.

Testimony in favor of this bill was received from the Office of Hawaiian Affairs and Public Access Shoreline Hawaii

Your Committee is concerned with the loss of public property as a result of the current shoreline certification. This loss of public property has resulted in the obstruction of public access and use of beaches.

This bill, as amended herein, would add language in Section 205A-42, Hawaii Revised Statutes, that stipulates that fifteen days prior to certification of a shoreline, the chairperson of the Board of Land and Natural Resources must publish a notice in the periodic bulletin published by the Office of Environmental Quality Control.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 251, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 251, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Nekoba.

SCRep. 166 Judiciary on H.B. No. 264

The purpose of this bill is to exempt any person from liability who has voluntarily, in good faith, and without remuneration, transported another person to a health care provider, except for actions constituting gross negligence or wanton acts or omissions.

Your Committee received testimony in support of this bill from representatives of the County of Hawaii Office of Aging; State Farm Insurance Companies; the Honolulu Committee on Aging, Advocacy Sub-Committee; the 1995 White House Conference on Aging, South Kona Task Force; Hospice of Kona; and the American Association of Retired Persons; and in opposition from the Hawaii Trial Lawyers Association.

Your Committee finds that good samaritans who transport persons who are not otherwise able to get to health care providers should be afforded certain protections under the law.

Your Committee amended the bill by:

- (1) Adding language to the effect that the person or his guardian must ask to be voluntarily transported;
- (2) That the immunity from damages be limited to the injuries received by the person being transported;
- (3) That this section would not apply to household or family members; and
- (4) Making technical, non-substantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 264, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 264, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Menor.

SCRep. 167 Judiciary on H.B. No. 1273

The purpose of this bill is to eliminate criminal penalties for parking violations on stadium property.

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

Your Committee finds that the criminal sanctions imposed by the current law prevent these parking offenses from being handled in the new civil traffic system. Since the majority of parking offenses have already been decriminalized, this measure would create consistency in dealing with parking violations.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1273 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, McMurdo and Yoshinaga.

SCRep. 168 Health on H.B. No. 1918

The purpose of this bill is to regulate health maintenance organizations (HMOs), including the establishment of minimum financial requirements to ensure the stability of these entities.

Testifying on behalf of the Department of Commerce and Consumer Affairs, the Insurance Commissioner emphasized the importance of HMOs in the delivery of health care. HMOs have become popular because they provide services on a prepaid capitation basis as opposed to the fee-for-service payment of health service costs. Since managed care has become more attractive as a cost containment mechanism in health care reform efforts nationwide, the number of HMOs is expected to increase.

There are currently six HMOs operating in Hawaii. Although their health plans must be approved by the Department of Labor and Industrial Relations under the Prepaid Health Care Act, none are regulated or monitored on a continuing basis for financial soundness.

The public has a vital interest in the fiscally sound, efficient, and ethical operation of HMOs. Currently the Insurance Division conducts routine financial surveillance on accident and health insurance and mutual benefit societies such as the Hawaii Medical Services Association (HMSA). However, HMOs are not currently covered.

Kaiser Permanente submitted testimony supporting the reasonable regulation of HMOs. However, it made several recommendations for amending the bill. Your Committee agrees that the following two recommendations appear to have merit and warrant further consideration:

- (1) To allow HMOs to offer a "complete Point of Service product"; and
- (2) To allow HMOs that own their own facilities to use these facilities to calculate net worth.

The Insurance Commissioner assured the Committee that a response to these proposals was forthcoming. However, your Committee notes that this bill has a "triple" referral. In the interest of time, the bill is being passed without amendments. Your Committee respectfully urges the Committees on Consumer Protection and Commerce and Judiciary to review the response by the Insurance Commissioner in consideration of these two proposed amendments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1918 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representatives Stegmaier and Anderson.

SCRep. 169 Agriculture on H.B. No. 1117

The purpose of this bill is to appropriate funds to implement low-input sustainable agriculture research, education, and demonstration projects.

Your Committee notes that the Low-Input Sustainable Agriculture (LISA) Program is intended to wean farmers away from their dependence on chemicals to grow their crops and to conduct their farming practices. Due to the grave environmental concerns arising from the use of chemicals in farming, it is your Committee's belief that low-input sustainable agriculture makes for a healthier and safer environment through cost-efficient, non-chemical alternatives in farming.

Testimony in support of the bill was received from the Project Manager of the LISA for Hawaii Project. Your Committee also received testimony in support of the intent of the bill from the Governor's Agriculture Coordinating Committee and the University of Hawaii-Manoa College of Tropical Agriculture and Human Resources. Comments were received from the Agribusiness Development Corporation and two private citizens.

Upon consideration, your Committee has amended this bill by:

- (1) Changing the appropriation sum from \$120,000 to \$1 for each year of the 1995-1997 fiscal biennium for the purpose of facilitating further discussion on this subject matter; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1117, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai and Halford.

SCRep. 170 Agriculture on H.B. No. 1144

The purpose of this bill is to appropriate funds to expand implementation of the livestock waste management guidelines.

Your Committee is aware of the ever-increasing problem of waste management facing the livestock industry. Not only is livestock waste management a costly issue, but it is also an environmentally-sensitive issue as well. It is your Committee's belief that livestock waste management guidelines will provide livestock operators with an overview of pollution prevention planning and offer guidance on effective alternative management practices.

Your Committee received testimony in support of this bill from the Hawaii Farm Bureau Federation and the Hawaii Association of Conservation Districts. Testimony in support of the intent of the bill was received from the Governor's Agriculture Coordinating Committee, the Department of Agriculture, and the College of Tropical Agriculture and Human Resources of the University of Hawaii-Manoa.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1144 and recommends that it pass Second Reading and be referred to the Committee on Energy and Environmental Protection.

Signed by all members of the Committee except Representatives Takai and Halford.

SCRep. 171 Agriculture on H.B. No. 1164

The purpose of this bill is to appropriate funds for each year of fiscal biennium 1995-1997 for pesticide registration research.

Your Committee finds that the registration of pesticides is critical to the competitive production of most crops in the state. Your Committee further finds that pesticide registration is necessary to comply with federal laws.

Testimony in favor of this bill was received from the Hawaii Farm Bureau Federation and the Pineapple Growers Association of Hawaii. Your Committee also received testimony in support of the intent of the bill from the Governor's Agriculture Coordinating Committee (GACC), provided that the bill does not change the priorities reflected in GACC's Executive 1995-1997 Biennium Budget. Comments were received from the University of Hawaii-Manoa, College of Tropical Agriculture and Human Resources.

Upon consideration, your Committee has amended this bill by:

- (1) Changing the appropriation sums from \$300,000 to \$1 for each year of the 1995-1997 fiscal biennium for pesticide registration research, to facilitate further discussion and to allow the Committee on Finance to determine the appropriate sums; and
- (2) Clarifying in Section 1 of the bill, that there is an ongoing project being conducted by the University of Hawaii-Manoa, College of Tropical Agriculture and Human Resources and the Hawaii Sugar Planters Experiment Station for pesticide testing and registration.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1164, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1164, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 172 Agriculture on H.B. No. 1585

The purpose of this bill is to appropriate funds for the administration, coordination, and research on various fruit fly projects.

Your Committee recognizes the great economic potential of marketing Hawaii-grown fruits outside the state. This bill provides for the development and implementation of technologies and procedures that would allow interstate and international shipment of Hawaii agricultural products, which are currently barred by quarantine restrictions. Your Committee believes that the efforts stated in this bill would further enhance diversified agriculture production in Hawaii.

Testimony in support of the bill was received from the Exotic Pest Insect Committee. Your Committee also received testimony in support of the intent of the bill from the Department of Agriculture and the Agribusiness Development Corporation. Comments were received from the Dean of the University of Hawaii-Manoa, College of Tropical Agriculture and Human Resources.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1585 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 173 Agriculture on H.B. No. 1595

The purpose of this bill is to establish the Alien Species Special Fund (Fund) for emergency response actions, including remedial and enforcement actions, to enforce the quarantine laws under Chapter 150A, Hawaii Revised Statutes.

Among other things, the Fund would be comprised of:

- (1) All moneys collected from quarantine violations;
- (2) Legislative appropriations to the Fund;
- (3) Grants and gifts to the Fund; and
- (4) All interest earned and accrued on moneys deposited into the Fund.

Your Committee finds that this bill would serve as an appropriate and viable means in supporting efforts to prevent the introduction, establishment, and proliferation of alien species into the state, as the fines collected from quarantine violations would be deposited into the Fund.

Testimony in support of the bill was received from the Bishop Museum. Your Committee also received testimony in support of the intent of the bill from the Department of Agriculture.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1595 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 174 Agriculture on H.B. No. 1717

The purpose of this bill is to authorize owners of agriculturally-zoned lands to subdivide their properties into ten-acre minimum leasehold lots for intensive agricultural purposes.

Your Committee notes that these lots would be exempt from all county subdivision ordinances, provided that the facilities and structures on the lots comply with all applicable county building ordinances.

It is your Committee's belief that this bill will assist in improving the management, utilization, and economic viability of agricultural businesses on subdivided lots statewide. Your Committee also believes that this bill will make available relatively large lots solely for intensive agricultural uses, without the expensive subdivision infrastructure commonly associated with residential subdivisions.

Your Committee received testimony in support of the intent of the bill from the Office of State Planning and the Agribusiness Development Corporation. Extensive comments were received from the Department of Agriculture. Testimony in opposition to the bill was received from the City and County of Honolulu, Department of Land Utilization.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1717 and recommends that it pass Second Reading and be referred to the Committee on Intergovernmental Relations and International Affairs.

Signed by all members of the Committee except Representatives Takai and Halford.

SCRep. 175 Labor and Public Employment on H.B. No. 1254

The purpose of this bill is to transfer the functions and authority exercised by the Office of Collective Bargaining to the Department of Human Resources Development.

H.B. No. 1254 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1254, as amended herein, and recommends that it be recommitted to the Committee on Labor and Public Employment, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1254, H.D. 1.

Signed by all members of the Committee except Representative Alcon.

SCRep. 176 Labor and Public Employment on H.B. No. 1613

This bill is a short form bill relating to public employment. Your Committee has amended this bill to allow all health benefits under the health benefits plan of the public employees health fund ("fund") to be negotiated between the public employer and the appropriate collective bargaining units.

Specifically, this bill allows, but does not require, such benefits to be negotiated, as long as they are at least as favorable to the employee than if benefits were not negotiated. Specifically, the bill removes from the board of trustees of the fund the sole power to determine health benefits by allowing collective bargaining negotiation. The bill does not limit the benefits subject to negotiation to those already being provided under the health benefits plan but subjects all possible

health benefits to negotiation. Finally, the bill protects retirees who, because of their retired status, are not represented by any bargaining unit, but who receive health benefits from the fund, by allowing them to receive the same health benefits as individuals excluded from any bargaining unit.

The cost of providing health benefits has risen dramatically over the past several years. Permitting the appropriate collective bargaining units and public employers to negotiate these benefits as part of a collective bargaining agreement would allow employers and employee unions in the public sector to fashion more cost effective benefits packages with greater efficiency tailored to the specific needs of the members of each bargaining unit.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1613, as amended herein, and recommends that it be recommitted to the Committee on Labor and Public Employment for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1613, H.D. 1.

Signed by all members of the Committee except Representative Alcon.

SCRep. 177 Hawaiian Affairs and Housing on H.B. No. 1763

The purpose of this bill is to revitalize the use of fishponds in this State. Fishponds represent a traditional means of ensuring a source of sustenance on a daily basis. This bill would centralize the authority to regulate and oversee the development and restoration of fishponds by establishing a Hawaiian fishpond permitting program within the Department of Agriculture. Currently, the revitalization of fishponds is inhibited by the plethora of regulatory requirements that affect the construction, restoration, and operation of Hawaiian fishponds.

Your committee received testimony in support of the intent of the bill from the Office of State Planning, Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, Hui O Loko I'a, Hawaiian Fishpond Revitalization, and the Oceanic Institute. The Board of Agriculture felt that the Department of Land and Natural Resources' (DLNR) Aquaculture Development Program would be the proper venue for placement of the Hawaiian Fishpond Permitting Program rather than with the Department of Agriculture.

The Oceanic Institute presented extensive testimony on the environmental compatibility of fishpond operation if conducted in a traditionally Hawaiian manner. Experience in fishpond restoration and operation indicates the environmentally benign nature of traditional Hawaiian fishponds.

The University of Hawaii at Manoa expressed serious reservation in exempting fishpond activities from all state and county regulation. The testimony indicated that any structure in the coastal zone will have an impact on natural shoreline dynamics.

Upon careful consideration, Your Committee on Hawaiian Affairs and Housing amended the bill by:

- (1) Placing the Hawaiian Fishpond Permitting Program within the Department of Land and Natural Resources; and
- (2) Including an appropriation clause to the DLNR in the amount of \$1 for the purposes of continued discussion.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1763, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1763, H.D. 1, and be referred to the Committee on Ocean Recreation and Marine Resources.

Signed by all members of the Committee except Representative Saiki.

SCRep. 178 Health on H.B. No. 1385

The purpose of this bill is to create a convenient method for prescribers of prescription drugs to specify that a brand is medically necessary and that a generic substitution is not permitted. The bill also clarifies that only licensed pharmacists may dispense prescription drugs.

Under current law a pharmacist must offer a consumer substitutable, lower cost equivalent drug products, commonly known as "generic drugs," when appropriate. When the prescriber does not want a substitute to be made, the prescriber must handwrite "do not substitute" or "brand medically necessary" on the prescription. This bill allows a prescription form to have two signature lines, one indicating that a brand is medically necessary and the other indicating that a substitution is permitted. As a result, the prescriber does not have to write out the phrase "brand medically necessary" for every prescription in which the brand is medically necessary.

Your Committee finds that the existing "generic drug" law has been highly successful in moderating the rising costs of prescription drugs in a manner that has proven to be safe for consumers. This bill is not intended to reduce the overall use of "generic drugs," except in cases of medical necessity.

While in support of the bill, the Department of Health recommended several amendments to the bill. Your Committee agrees with these revisions and has amended the bill as follows:

- (1) Applied the definitions contained in section 328-91, Hawaii Revised Statutes (HRS), to the entire Chapter 328 (Food, Drugs, and Cosmetics) rather than only to Part VI (Drug Product Selection) of the Chapter;

- (2) Revised the ramseyering on page 5, lines 10-12, since the sentence as written in the bill is due to sunset on July 1, 1995 pursuant to Act 193, Session Laws of Hawaii 1992. Also properly referred to section 328-17.7, HRS, rather than section 328-100, HRS, to indicate the section containing instructions on the prescription record required to be maintained;
- (3) Revised the ramseyering on page 5, lines 18-19, to account for the sunset provision of Act 193, SLH 1992; and
- (4) Deleted amendments to subsection (d) on page 6 because of the sunset provision.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1385, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1385, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Saiki and Stegmaier.

SCRep. 179 Health on H.B. No. 1383

The purpose of this bill, as received by your Committee, was to require the Department of Health to provide an involuntary mental health screening and evaluation prior to an arrestee's first appearance in court if any of certain conditions that suggest mental illness are met. The intent was to make information about the arrestee's mental condition available to the court.

The Department of Health testified that the bill violates the requirements of a Hawaii Supreme Court case, which held that involuntary examinations cannot be forced upon a mentally ill person unless that person's behavior is imminently dangerous to self or others as a result of a mental disorder.

In view of this case, your Committee has amended the bill to require the Department of Health to provide a mental health screening and evaluation only when the arrestee agrees to it.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1383, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1383, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Saiki, Stegmaier and Anderson.

SCRep. 180 Health on H.B. No. 1384

The purpose of this bill is to establish a council composed of community, business, labor, and government leaders, as well as representatives of health care providers and the health insurance industry, to explore and address the health care issues of cost containment, quality, and access to services.

The Governor's Blue Ribbon Panel on Health Care recommended the establishment of this kind of council to ensure a continuing, focused, community effort to address these issues.

Testimony indicated that this council will be funded with private funds, and that no public funds are needed.

It was noted that the bill does not contain any requirement to periodically report to the Legislature and the Governor. However, the council cannot be successful without sharing its findings, conclusions, and recommendations. Therefore, your Committee underscores the importance of regular reporting to the Legislature and the Governor.

One concern that was raised was that, since the representatives of health care providers and the health insurance industry are in the minority, a possibility exists for a quorum to be reached without their presence, and subsequently for decisions to be made. Your Committee therefore emphasizes that meetings should be scheduled at times and places convenient to all members and to the general public.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1384 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stegmaier.

SCRep. 181 Health on H.B. No. 1683

The purpose of this bill is to create a State Commission on HIV/AIDS (Commission) to facilitate planning, policy development, programming, and action on the needs, problems, and issues relating to HIV/AIDS in Hawaii.

Your Committee finds that the HIV/AIDS epidemic is severe and becoming worse. AIDS is now the leading cause of death in the United States among individuals 25 to 44 years of age. Furthermore, new populations such as women, racial and ethnic minorities, and heterosexuals account for increasing numbers of people living with AIDS.

Since the federal government has not directed sufficient resources to address the HIV/AIDS crisis, the states by default must bear a disproportional part of the burden. This health concern must be sufficiently funded by the state, even in this time of fiscal austerity. The consequences of underfunding would be tragic.

While your Committee has determined the creation of the Commission to be of the highest priority, the actual amount to be appropriated to the Commission is the responsibility of the House Finance Committee. However, your Committee respectfully recommends that adequate funding be provided to the Commission.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1683 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 182 Tourism on H.B. No. 2077

The purpose of this bill is to appropriate funds to the Department of Labor and Industrial Relations for the following education and training programs for workers in the visitor industry:

- (1) Provide development of training curricula for airport workers on:
 - (A) the Hawaiian host culture;
 - (B) the community and hospitality culture of Honolulu International Airport; and
 - (C) other areas to be identified and developed by the Ho'okipa Aloha Council;
- (2) Develop employee orientation training materials and initiate a pilot employee orientation training program on Hawaii's multicultural visitors;
- (3) Provide seed funding for first- and second-year expansion of travel and tourism academies statewide;
- (4) Develop and implement professional standards for taxicab drivers, develop training materials, and pilot a corollary training program;
- (5) Support professional standards among hotel workers by customizing and demonstrating Hawaiian culture training and vocational training for hotel employees; and
- (6) Provide operating funds for the tourism training council.

Your Committee received testimony in support of this bill from the Tourism Training Council, the Department of Transportation, the Ilima Hotel, Central Pacific Bank, the Hookipa Aloha Council, and several individuals.

Your Committee finds that during the current lean economic times, the success or failure of Hawaii's recovery depends on factors such as the maximization of any competitive advantages of Hawaii over rival destinations. One such point is the cultural diversity and hospitality (Aloha spirit) of the people who interact with visitors.

In order to maintain the momentum of Hawaii's recovery efforts, your Committee finds that the state should continue its work in developing programs to increase the awareness of the host Hawaiian culture and the hospitality skills of tourism industry workers, in order to enhance the visitor experience, improve Hawaii's competitive position in the international visitor market and contribute to the quality of life of local residents, who also interact with workers in the visitor industry.

Your Committee revised the bill by:

- (1) Changing the appropriation amounts to \$1 for individual items and \$4 and \$5 for fiscal years 1995 to 1996 and 1996 to 1997, respectively, for the purpose of continuing discussion of the bill; and
- (2) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2077, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2077, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 183 Tourism on H.B. No. 2331

The purpose of this bill is to appropriate funds to the City and County of Honolulu to develop and implement historical and cultural programs in public places in Waikiki.

Your Committee received testimony in support of this bill from the Office of the Managing Director of the City and County of Honolulu, the Waikiki Improvement Association, and the Hawaii Hotel Association.

Your Committee finds that this continues the work of the Molehu I Waikiki program that began last year and met with tremendous success, drawing crowds of up to 1,000 for authentic hula performances and torch lighting ceremonies. During this transitional period in the visitor industry, cultural tourism, among other specialty areas, has emerged as a major factor in the success of many new and traditional destinations.

Programs such as Molehu I Waikiki will serve an important role in the rejuvenation of Waikiki and the state tourism industry and in the continuing restoration of Hawaiian culture in Waikiki.

Your Committee revised the bill by:

- (1) Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill;
- (2) Adding a requirement for matching funds equal to the appropriation amount from private sources and from the City and County of Honolulu; and
- (3) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2331, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2331, H.D. 1, and be referred to the Committee on Higher Education and the Arts.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 184 Ocean Recreation and Marine Resources on H.B. No. 750

The purpose of this bill is to establish the definition of "fishponds".

In testifying in favor of this bill, the Department of Land and Natural Resources stated that currently there is no statutory definition for fishponds. Section 183-44, Hawaii Revised Statutes, refers only to the maintenance and repair of fishponds.

Additional testimony in support was submitted by the Hawaiian Fishpond Revitalization organization and a concerned citizen. Your Committee was informed that many permitting agencies refer to "fishponds" as aquaculture. Due to the potential harm that modern aquaculture may have on the environment, the permitting process is extensive and arduous.

After discussion your Committee finds that there is a need for a legal definition of the term "fishpond" to expedite and simplify the permitting process. This measure will clarify the ambiguity created by the term "fishpond" by defining this unique, traditional system and methodology of aquaculture practices used by the kanaka maoli of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 750 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Anderson.

SCRep. 185 Ocean Recreation and Marine Resources on H.B. No. 1067

The purpose of this bill is to establish mesh and entrance specifications for fishing traps by:

- (1) Removing the minimum mesh size for traps made of plastic, wire, coated wire, or other stiff material;
- (2) Set a maximum size for the trap's entrance opening;
- (3) Establish requirements for escape vent panels;
- (4) Change from a use restriction of the trap to both a use and possession restriction.

Your Committee received testimony in favor of the intent of this bill from the Department of Land and Natural Resources, noting that both use and possession should be included in the law. At this time, there is insufficient data available on the impact of setting entrance cone sizes and escape vents, therefore it is recommended that these restrictions apply only to lobster traps. In addition, the Department of Land and Natural Resources testified that they would prefer to handle all measures relating to mesh traps with escape opening through their department.

Testimony in support of the bill was also received from the Environmental Center.

Your Committee agrees with the Department of Land and Natural Resources regarding the need to include both use and possess for enforcement purposes. Furthermore, your Committee understands the need to be specific as to the type of trap which falls under the jurisdiction of this bill.

Therefore your Committee has amended the bill by:

- (1) Adding the words "or possess"; and
- (2) Allowing traps with at least one escape vent to have smaller mesh. Clarify the specifications of lobster traps; and
- (3) Establish fees for the purpose of this section; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1067, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1067, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Shon and Anderson.

SCRep. 186 Ocean Recreation and Marine Resources on H.B. No. 2006

The purpose of this bill is to clarify State laws concerning participation in the Federal Aid in Sport Fish Restoration program.

The Department of Land and Natural Resources submitted testimony urging passage of this measure.

Currently the State is in jeopardy of being in violation of the Federal Aid in Sport Fish Restoration program. This program appropriates some \$2-million annually to Hawaii to support sport fisheries and boating access projects. Your Committee finds there is a need to amend Section 36-27 and 36-30, Hawaii Revised Statutes as stipulated in this bill.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2006 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shon and Anderson.

SCRep. 187 Ocean Recreation and Marine Resources on H.B. No. 1484

The purpose of this bill is to extend the application of special management area guidelines to an entire development if any part of the development is within the special management area.

Currently, if a portion of a development is in a special management area, only that portion must comply with the special management area guidelines. The cumulative effects of a project which may be only partially within the special management area are not considered under the special management area guidelines.

Your Committee received testimony on this bill from the Office of State Planning, the University of Hawaii Environmental Center, the Land Use Research Foundation of Hawaii, and Group 70 International.

Your Committee has amended the bill by:

- (1) Redefining "development" to include a review of an entire development under the special management guidelines if a portion of the development is within the special management area and the cumulative effects of the development may result in a significant environmental impact to the special management area;
- (2) Deleting Section 2 because it was no longer necessary with the incorporation of the above amendment in Section 1; and
- (3) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1484, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 188 Economic Development and Business Concerns on H.B. No. 1877

The purpose of this bill is to repeal Chapter 211, Hawaii Revised Statutes (HRS), Guarantee of Commercial Loans, which authorizes the Director of the Department of Business, Economic Development, and Tourism to guarantee commercial loans made by private lending institutions.

Your Committee notes that Chapter 211, HRS, has never been used since its creation in 1965, and that no funds have ever been appropriated for the payments of loans in default. Your Committee further notes that the availability of loan guarantees from several federal agencies has made Hawaii's guarantee commercial loan program unnecessary.

Testimony in strong support of the bill was received from the Department of Business, Economic Development, and Tourism.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1877 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cachola.

SCRep. 189 Economic Development and Business Concerns on H.B. No. 1881

The purpose of this bill is to repeal Part V of Chapter 201, Hawaii Revised Statutes, relating to the Office of Space Industry (Office).

In addition, this bill also lapses all unencumbered and unexpended funds appropriated by the Legislature for the operation and support of the Office into the general fund.

Your Committee recognizes the important contributions of the Office since its inception in 1988, in pursuing and examining the potential of space exploration and development in the state. Your Committee recognizes the function of the Office to assist in expanding and diversifying the state's economic base.

While your Committee agrees that the spaceport project is currently not viable at this time, it also recognizes that opportunities for space exploration and development to the state should not be ignored in the event that viable and lucrative economic opportunities arise. In this regard, your Committee believes that the Department of Business, Economic Development, and Tourism should continue to examine possible avenues for space-related economic development at such facilities as the Navy's Pacific Missile Range Facility at Barking Sands, Kauai; the facilities on Mt. Haleakala, Maui; and the satellite tracking station at Kaena Point, Oahu.

Testimony in strong support of this bill was received from the Department of Business, Economic Development, and Tourism.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1881 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cachola.

SCRep. 190 Economic Development and Business Concerns on H.B. No. 1913

The purpose of this bill is to repeal Chapter 206P, Hawaii Revised Statutes (HRS), relating to the Hawaii Telecommunications and Information Industries Act.

Among other things, this bill would repeal the establishment of the Hawaii Information Network Corporation, also known as Hawaii INC.

Your Committee notes that the repeal of Chapter 206P, HRS, is part of the State's effort to consolidate state services and reduce expenditures.

Testimony in support of this bill was received from the Department of Business, Economic Development, and Tourism.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1913 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cachola.

SCRep. 191 Human Services and Health on H.B. No. 63

The purpose of this bill, as received by your Committee, was to require the Department of Human Services and the Department of Health to develop a representative payee system to ensure that cash welfare payments drug addicted clients are utilized for treatment instead of the purchase of drugs. In addition, this bill required a report to be submitted to the Legislature that includes proposed legislation.

The Department of Health and the Salvation Army Family Treatment Services supported the bill. The Department of Human Services supported the intent of the bill, and the Mental Health Association of Hawaii supported the concept of the representative payee system.

Your Committees find that direct cash welfare payments to alcohol and other drug addicted and dependent persons often result in money being spent on alcohol or other drugs rather than on treatment. Representative payee programs have been shown to be effective in preventing this practice.

The Legal Aid Society of Hawaii raised the issue of protecting recipients' rights, noting that some existing representative payee programs have had difficulty in securing the services of representative payees. Delays in payments to recipients have resulted. When an individual has qualified for general assistance benefits, the individual has a right to receive payments in a reasonable amount of time.

In addition, any representative payee program must be able to quickly address instances of misuse of funds by representative payees. But while there are potential issues related to the rights of recipients, the Legal Aid Society asserted that a program could be designed in such a manner that it respects the rights of recipients. Furthermore, the Legal Aid Society volunteered to assist in the planning of a representative payee program.

While in support of the bill, the Department of Health recommended amending the bill to refer to alcohol as well as drugs. Upon further consideration, your Committees have amended the bill as follows:

- (1) Targeted "alcohol and other drug addicted and dependent" recipients rather than "drug addicted" recipients;
- (2) Referred to alcohol and drugs rather than only drugs;

- (3) Required only the Department of Human Services rather than the Departments of Health and Human Services to report to the Legislature; and
- (4) Required the Department of Human Services to cooperate with the Department of Health, the Legal Aid Society of Hawaii, and the Mental Health Association of Hawaii in making the report.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 63, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 63, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Stegmaier.

SCRep. 192 Human Services on H.B. No. 1039

The purpose of this bill is to appropriate \$75,000 to the Department of Budget and Finance for the implementation of the Hawaii Public Employees Health Fund Long-Term Care Insurance Benefits Plan.

Testimony from the Health Fund Board of Trustees and the Coalition of Hawaii State/Counties Retirees, Inc. was received in support of this measure. Testimony from the Department of Budget and Finance was submitted requesting the Committee to defer this measure.

It is noted by your Committee that the Health Fund Long-Term Care Insurance Plan would be insurance company administered and would be premium-based, rather than tax-supported. The monthly premiums for the Plan would be paid for by the participants and made via the payroll and pension system of State and County governments. All costs to implement the Plan would be paid for by the contracted insurance company.

Testimony also reflected that implementation of a Long-Term Care insurance benefits plan can be convertible in the event that the Legislature implement a statewide Long-Term Care financing plan in the future.

Your Committee also notes that the role of the Health Fund Board would be to craft a group plan to be offered for bid to the insurance industry. The appropriation would be used by the Board to:

- (1) Hire a Consultant to update their 1991 study, prepare bid specifications and assist them in the evaluation of applicants; and
- (2) Coordinate various enrollment activities after the contract is awarded.

Your Committee also recognizes that when the Health Fund Long-Term Care Insurance Plan is fully implemented, the Board will request the State Legislature to provide one permanent position to act as a coordinator for the Plan.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1039 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Pepper and Kawanakoa.

SCRep. 193 Labor and Public Employment on H.B. No. 1686

The purpose of this bill is to extend health insurance coverage under the Hawaii Public Employees Health Fund to unmarried children under the age of twenty-three who are full-time students at an educational institution.

Your Committee finds that because the law currently excludes children from health insurance coverage when they reach the age of nineteen, many members of the Hawaii Public Employees Health Fund must obtain other health insurance coverage for their children who attend a college or university. This measure seeks to ease the financial burden these individuals face.

Testimony in support of this measure was submitted by the Administrator of the Hawaii Public Employees Health Fund, the Hawaii Government Employees Association, and the Hawaii State Teachers Association.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1686 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 194 Labor and Public Employment on H.B. No. 1995

The purpose of this bill is to appropriate additional funds for the State Workers' Compensation Program for fiscal year 1994-1995 to fulfill the State's obligation for the payment of workers' compensation benefits to or on behalf of injured state employees.

The Director of Human Resources Development testified in support of this measure.

Your Committee finds that it was the policy of the previous administration not to request additional moneys for the State Workers' Compensation Fund if moneys were exhausted. Instead, the administration would cover the deficits through the use of a budget proviso allowing the Governor to transfer funds from other departments to the Department of Human Resources Development (Department) for the payment of workers' compensation claims.

Keeping in line with the new administration's policy, the Department submitted this emergency appropriation measure to the Legislature to obtain the moneys needed to meet the current obligations of the State.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1995, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1995, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 195 Education on H.B. No. 1665

The purpose of this bill is to establish a commission in the Department of Education to determine methods to apportion districts for the election of the Board of Education members.

The Board of Education submitted testimony on this measure.

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

- (1) Placing the commission in the Office of the Chief Election Officer for administrative purposes;
- (2) Clarifying that two members each be appointed by the Governor from lists of five names submitted by the President of the Senate and the Speaker of the House of Representatives; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1665, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1665, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki and Lee.
(Representative Pepper voted no.)

SCRep. 196 Education on H.B. No. 2300

The purpose of this bill is to make the school environment more conducive to learning by taking steps to combat the growing violence in schools.

Specifically this bill will:

- (1) Make it a class C felony to carry a firearm on school property;
- (2) Mandate education programs for parents of children who fail to attend school as required;
- (3) Lower the compulsory school attendance age to sixteen;
- (4) Authorize the suspension or delay of a child's driving privileges for one year if the child persists in avoiding school;
- (5) Authorize the use of Incentive and Innovation Grants for discipline programs;
- (6) Authorize a principal to preclude a child from attending school if that child is a detriment to the morals or discipline of the school;
- (7) Deny public assistance to parents who do not submit a grade and attendance check for each child or if a child has less than ninety percent attendance and a grade point average below 2.0; and
- (8) Require the Board of Education to:
 - (A) Review the authorization of searches of student based on reasonable suspicion of criminal conduct or rule violation;
 - (B) Review upgrading the professional status of security guards;
 - (C) Evaluate all Alternative Learning Centers and expand them to the neighbor islands; and
 - (D) Enforce compulsory school attendance by charging the responsible party with a misdemeanor and establishing fines.

The Department of Education and the Hawaii State Teachers Association testified in strong support of this measure.

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

- (1) Authorizing a principal to suspend or expel for a period of time determined by the principal any student who:
 - (A) Physically harms or threatens another person;
 - (B) Has damaged or stolen property belonging to another person or to the school; or
 - (C) Otherwise poses a danger to others;
- (2) Retaining eighteen as the compulsory age for school attendance; and
- (3) Making technical, nonsubstantive amendments to the bill for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2300, H.D. 1, and be referred to the Committee on Human Services.

Signed by all members of the Committee except Representatives Arakaki, Morihara, Takamine, Yonamine and Halford.

SCRep. 197 Economic Development and Business Concerns on H.B. No. 1579

The purpose of this bill is to create the Hawaii Information Congress '95 Task Force (Task Force) to recommend steps to be taken to accelerate the deployment of Hawaii's Information Superhighway.

Your Committee believes that it is in the public interest to encourage and support development of the telecommunications industry in the state, as telecommunications is regarded as a means of enhancing quality of life through telephone, television, computers, and cable technologies. Telecommunications has enabled a wealth of services to reach the general populace by linking businesses, schools, libraries, hospitals, and homes through individual access to public and private information resources. Your Committee recognizes the vast economic potential and opportunities that exist in telecommunications for the state.

It is your Committee's belief that a task force, comprised of a broad cross-section of the populace, will facilitate efforts to usher in Hawaii's Information Superhighway. In addition, a task force would be an effective mechanism to pursue and examine the role of communication and information technology in Hawaii's future.

Supporting testimony was received from the Public Utilities Commission; the Executive Director of the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; and Oceanic Cablevision and Oceanic Communications. Your Committee also received testimony in support of the general intent and purpose of the bill from GTE Hawaiian Telephone Incorporated (Hawaiian Tel).

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

- (1) Designating the Governor to appoint the members of the Task Force;
- (2) Including in the composition of the task force, representatives from community groups, senior citizens' organizations, the disabled and their representative entities, and low-income telephone users;
- (3) Inserting the appropriation sum of \$1 to facilitate further discussion and to allow the Committee on Finance to determine the appropriate sum; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1579, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Cachola.

SCRep. 198 Education on H.B. No. 1582

The purpose of this bill is to share the responsibility for setting teacher certification standards between the Department of Education and a Hawaii Teacher Standards Board.

The Hawaii State Teachers Association submitted testimony in strong support of this measure. A member of the Teacher Standards Advisory Board submitted testimony in favor of this measure. The Board of Education submitted testimony in opposition to this measure.

Your Committee notes that the Department of Education, through the Board of Education will be responsible for the implementation of teacher standards as established by the Hawaii Teacher Standards Board.

Upon careful consideration, your Committee has amended this measure by deleting the substance and inserting the general language reflected in H.B. No. 1516. As amended, the purpose of this bill is to transfer the responsibility for setting teacher certification standards from the Department of Education to a Hawaii Teachers Standards Board.

Your Committee further amended this measure by:

- (1) Changing the board members from four teachers, to three teachers;
- (2) Stating that a private school teacher will also comprise membership on the Hawaii Teacher Standards Board; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1582, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Lee and Takamine.

SCRep. 199 Legislative Management on H.B. No. 111

The purpose of this bill is to strengthen the State's lobbying laws by:

- (1) Authorizing the Hawaii State Ethics Commission to refer ethical violation involving lobbyists to the attorney general or the prosecuting attorney;
- (2) Clarifying the definition of who is subject to the law as a lobbyist; and
- (3) Specifying an additional reporting period to ensure timely disclosure of lobbyists' activities when the Legislature is convened.

The Democratic Party of Hawaii submitted testimony in support of this measure. The Office of the Attorney General submitted testimony in support of this measure, with suggested revisions. The Hawaii State Ethics Commission submitted comments on this measure. The Aloha Society of Association Executives submitted testimony in opposition to this measure.

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

- (1) Including an administrative enforcement process;
- (2) Authorizing an administrative fine of at least \$275 and up to three times the amount of money an individual spent or received while acting as a lobbyist;
- (3) Increasing the expenditure amount from \$275 to \$750;
- (4) Changing the three reporting periods to cover the months of January and February, March and April, and May through December 31; and that the three report submission deadlines be March 15th, May 15th, and January 15th;
- (5) Clarifying the definition of "lobbyist" to mean any individual who for pay or other consideration engages in lobbying in excess of five hours in any month of any reporting period or spends more than \$750 in any reporting period;
- (6) Clarifying that any amount expended of a person's own money for off-island travel, including incidental meals and lodging is not included in the tallying of the \$750; and
- (7) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 111, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Say, Arakaki and Souki.

SCRep. 200 Legislative Management on H.B. No. 112

The purpose of this bill is to enable the public to ascertain that those who are subject to the State Code of Ethics (Code) are acting in the public's best interest and complying with the public trust and confidence conferred upon them by making public the State Ethics Commission's enforcement hearings and disciplinary actions taken against state officials and employees who violate the Code.

Testimony in support of this measure was submitted by the Democratic Party of Hawaii. The State Ethics Commission (Commission) submitted comments on this bill.

After free and open discussion, your Committee has amended this bill by keeping its language intact, but adding to it, the contents of H.B. No. 1504 which was also heard by your Committee. Among other things the amendments would:

- (1) Provide that the Commission's enforcement process be opened up only after the Commission determines that there is probable cause to believe the Code has been violated; and
- (2) Repeal the law that makes it a felony for any Commission member or individual to divulge information about a charge prior to the Commission's issuance of a complaint against a respondent. In a federal lawsuit involving the Commission in 1991, the U.S. District Court for the District of Hawaii found that this confidentiality provision was unconstitutional and unenforceable.

Your Committee has also included language that would extend the statute of limitations contained in the Code from three years to six years. Currently, the Code requires the Commission (or anyone else wishing to file a sworn complaint with the Commission) to issue a charge within three years from the time an alleged violation occurs. It is believed that this amendment will greatly assist the Commission in its enforcement work and also deter violations to the Code.

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

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 112, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 112, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Say, Arakaki and Souki.

SCRep. 201 Legislative Management on H.B. No. 11

The purpose of this bill is to appropriate funds to provide for increased public access and participation in the legislative process.

The Democratic Party of Hawaii, the League of Women Voters of Honolulu, Ka Lahui Hawaii, Kokua Council, the National Association of Retired Federal Employees, and concerned citizens submitted testimony in support of this measure. The Department of Accounting and General Services, the Commission on Persons with Disabilities, and the Hawaii Cochlear Implant Club submitted testimony in support of the intent of this measure. The United Independents Team and a concerned citizen submitted testimony on this measure.

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

- (1) Including real-time captioning equipment to provide greater public access to the Legislature;
- (2) Changing the appropriation amount for the production and distribution of television broadcasts of legislative proceedings to \$1 to the Senate and \$1 to the House, to facilitate further discussion;
- (3) Deleting the appropriation to the Department of Education for television sets with earphones for each public library to be used for viewing broadcasts of legislative proceedings and other educational programs; and
- (4) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 115, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Say, Arakaki and Souki.

SCRep. 202 Legislative Management on H.B. No. 1502

The purpose of this bill is to ensure full and complete disclosure of financial interests by all candidates for state elective office, thereby providing the public with complete information regarding the financial interests of the candidates.

This bill proposes to accomplish this by establishing an adjudicatory process by which the State Ethics Commission (Commission) can determine whether or not a candidate for state office has filed a complete financial disclosure statement as required by the state ethics code.

By way of a brief background, candidates for state elective office must file public financial disclosure statements with the Commission at least twenty days prior to the primary election. In the case of candidates for the board of trustees of the Office of Hawaiian Affairs, the filing deadline is twenty days prior to the general election. The Commission is required by law to make public the names of candidates who fail to file their financial disclosure statements before the deadline.

This year, the Commission learned that some candidates' financial disclosure statements may have contained incomplete information. Currently, there is no sanction under the state ethics code if a candidate fails to disclose all information required to be reported and files an incomplete financial disclosure statement. Further, the Commission has no adjudicatory process that enables it to determine whether or not a candidate's financial disclosure statement is incomplete. This gap in the law allows candidates to file incomplete financial disclosure statements with the Commission with impunity.

This bill will enable the Commission to investigate, initiate, and receive charges as to whether a candidate's financial disclosure statement discloses all the financial interests required to be reported by the state ethics code. The bill will also enable the Commission to hold hearings on such charges to determine whether or not a candidate's financial disclosure statement is in compliance with the law. Finally, the bill provides that the Commission's decision shall be a matter of public record.

Testimony in support of this bill was submitted by the State Ethics Commission.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1502 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Say, Arakaki and Souki.

SCRep. 203 Economic Development and Business Concerns on H.B. No. 1875

The purpose of this bill is to update the Foreign-Trade Zones Law, to:

- (1) Be consistent with the current foreign-trade zone status classifications;
- (2) Explicitly permit the expenditure of moneys from the special fund designated for Capital Improvement Projects; and
- (3) Correct the spelling of the phrase "foreign-trade zone".

Your Committee also notes that the bill will not have an impact on the taxes administered by the Department of Taxation (DOTAX), according to testimony from DOTAX.

Your Committee notes that in 1986, Title 19, Chapter 146, Code of Federal Regulations, was amended to delete the zone status classifications "privileged domestic merchandise" and "nonprivileged domestic merchandise". This bill is intended to conform state law to current federal regulations. It is your Committee's understanding that this bill be a housekeeping bill.

Testimony in support of the bill was received from the Department of Business, Economic Development, and Tourism. Testimony was also received from DOTAX, which indicated that it is not opposed to the enactment of the bill.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1875 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cachola.

SCRep. 204 Economic Development and Business Concerns on H.B. No. 1879

The purpose of this bill is to support the Community-Based Economic Development (CBED) Program by:

- (1) Clarifying CBED Program definitions and functions;
- (2) Differentiating the Hawaii CBED Program from other programs that are labeled "community-based";
- (3) Providing additional financing mechanisms to ensure continued success of the CBED Program; and
- (4) Increasing the number of CBED Advisory Council members to 12 members to include the administrator of the Office of Hawaiian Affairs.

It is your Committee's understanding that this bill is intended to more clearly define the CBED process and the types of organizations involved, describe eligible activities, focus the primary purpose of the program on economic development, emphasize the technical assistance aspects of the program, and provide for flexibility in developing a range of financing mechanisms to support CBED efforts.

Testimony in support of the bill was received from the Department of Business, Economic Development, and Tourism; and the Office of Hawaiian Affairs.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1879 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cachola.

p. 205 Tourism on H.B. No. 303

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for Destination Kona Coast.

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

Your Committee finds that Destination Kona Coast has proven an integral part of the visitor industry promotion effort for the region.

Your Committee revised the bill by:

- (1) Changing the appropriation amounts to \$1 for each fiscal year for the purpose of continuing discussion of the bill;
- (2) Adding provisions requiring that marketing efforts be coordinated with the Office of Tourism's 5-year tourism marketing plan and the unique requirements of the destination; and
- (3) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 303, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 303, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 206 Tourism on H.B. No. 442

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for support of Destination Hilo.

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

Your Committee finds that the East Hawaii region has shown a great need for economic stimulation and that the past efforts of Destination Hilo have met with success.

Your Committee revised the bill by:

- (1) Changing the appropriation amount to \$1 for each fiscal year for the purpose of continuing discussion of the bill;
- (2) Adding provisions requiring that marketing efforts be coordinated with the Office of Tourism's 5-year tourism marketing plan and the unique requirements of the destination; and
- (3) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 442, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 442, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 207 Tourism on H.B. No. 702

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism to support the Big Island Chamber of Commerce for tourism marketing.

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

Your Committee finds that a great need exists for additional tourism marketing to provide an economic stimulus for the Big Island.

Your Committee revised the bill by:

- (1) Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill;
- (2) Adding provisions requiring that marketing efforts be coordinated with the Office of Tourism's 5-year tourism marketing plan and the unique requirements of the destination; and
- (3) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 702, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 208 Tourism on H.B. No. 1758

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for tourism promotion by the Molokai visitors association.

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

Your Committee finds that a great need exists for additional tourism marketing to provide an economic stimulus for Molokai.

Your Committee revised the bill by:

- (1) Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill;
- (2) Adding provisions requiring that marketing efforts be coordinated with the Office of Tourism's 5-year tourism marketing plan and the unique requirements of the destination; and
- (3) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1758, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1758, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 209 Tourism on H.B. No. 1759

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for tourism promotion by the Lanai destination association.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, the Lanai Land Company, and the Maui Visitors Bureau.

Your Committee finds that a great need exists for additional tourism marketing to provide an economic stimulus for Lanai.

Your Committee revised the bill by:

- (1) Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill;
- (2) Adding provisions requiring that marketing efforts be coordinated with the Office of Tourism's 5-year tourism marketing plan and the unique requirements of the destination;
- (3) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1759, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1759, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 210 Health on H.B. No. 1326

The purpose of this bill is to establish a system of licensure for occupational therapists. Current law requires those who use the professional title "occupational therapist" to meet educational and examination standards. The bill establishes standards for the practice of occupational therapy, as well as a mechanism for license suspension for unprofessional conduct.

In support of the bill, various testifiers emphasized the substantial potential for serious harm and unnecessary suffering that may result if a patient is treated by an incompetent practitioner. The intent of this bill is to protect the health, welfare, and safety of the public.

In consideration of the state's austere fiscal situation, your Committee notes that the Board of Occupational Therapy Practice is required to prescribe fees related to licensure in amounts that would reimburse the State for the cost of services rendered.

Your Committee agrees with some of the changes suggested by CHART Rehabilitation of Hawaii and has amended the bill as follows:

- (1) Allows the Board of Occupational Therapy Practice to renew a limited permit "two consecutive times" rather than "two times";

- (2) Requires the occupational therapy educational program completed by an applicant for a occupational therapist license to be accredited by the American Occupational Therapy Association Accreditation Council for Occupational Therapy Education rather than the Committee on Allied Health Education and Accreditation of the American Medical Association;
- (3) Requires an applicant to demonstrate evidence of having successfully completed a period of supervised fieldwork experience in accordance with American Occupational Therapy Association essentials rather than specifying minimum amounts of fieldwork;
- (4) Requires a biennial rather than annual renewal of a license;
- (5) Moves the statement of purpose to a new section 1 of the bill so that it is contained in the Session Laws of Hawaii, but not the Hawaii Revised Statutes. This is a nonsubstantive amendment; and
- (6) Makes numerous additional technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1326, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1326, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representatives Saiki and Anderson.

SCRep. 211 Health on H.B. No. 1558

The purpose of this bill is to require all providers of health insurance and health care services to identify in records, reports, invoices, and other documents used in consumer billings all health care services provided to a consumer and to attribute those services to the licensed health care providers who provide those services. Such identification is to be made by professional title.

The Committee agrees with testimony submitted by the Hawaii Nurses Association, that by attributing data in this manner consumers and payors will receive a great deal of valuable information as to the costs, benefits, and outcomes of services. In addition, the professional who actually provides the specific health care service will be identified and given the appropriate credit.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1558 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Saiki, Stegmaier and Anderson.

SCRep. 212 Health on H.B. No. 1940

The purposes of this bill are to:

- (1) Allow pharmacists to fill orders and prescriptions from any practitioner licensed by the State.
- (2) Add a licensing requirement that mandates applicants verify for both license by examination and license by reciprocity that they do not have encumbered licenses.
- (3) Require a foreign applicant to obtain proficiency in English.
- (4) Clarify that all applicants, except those applying by reciprocity under HRS section 461-8.5, are required to take an examination and file the application form at least sixty days before the exam if taken in Hawaii or ninety days before the exam if taken in any other state.
- (5) Delete language that provides an exception for reciprocity applicants to meet the minimum experience requirement.

The Committee heard testimony from the Board of Pharmacy which supported this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1940 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Stegmaier and Anderson.

SCRep. 213 Health on H.B. No. 1971

The purpose of this bill is to provide consistency between federal and state laws in the regulation of medical devices. The bill will enable the Department of Health to enforce manufacturing practices in compliance with the Code of Federal Regulations for adulterated drugs and medical devices that are manufactured and sold within the State of Hawaii.

The Department of Health and the Department of Public Safety testified in support of this bill. It is the Committee's intent that the Department of Health should have the power to enforce compliance with current "good manufacturing practice" medical devices as well as drugs.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1971 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Stegmaier and Anderson.

SCRep. 214 Hawaiian Affairs and Housing on H.B. No. 109

The purpose of this bill is to appropriate funds for the development of an incremental plan to place native Hawaiians on Hawaiian home lands:

- (1) Appropriate funds out of the general revenues for the development of an incremental plan to place qualified native Hawaiians on Hawaiian home lands; and
- (2) Authorizes the Director of Finance to issue general obligation bonds for infrastructure improvements on Hawaiian Home Lands.

The funds are to be expended by the Department of Hawaiian Home Lands.

Your Committee received testimony from the Department of Hawaiian Home Lands (DHHL), Office of Hawaiian Affairs, State Council on Hawaiian Homestead Associations, Hawaiian Home Lands Action Network, and the Democratic Party of Hawaii. All testimony received by your Committee was in favor of the intent of this measure.

Your Committee recognized the importance of proper planning in the process of developing Hawaiian home lands. It was emphasized that the DHHL should continue its ongoing communication with State and county planning agencies.

Your Committee has amended the bill to:

- (1) Stipulate that the funds appropriated from general revenues shall be used to update the DHHL General Plan and to develop an incremental plan for infrastructure development and strategies to place qualified Hawaiians on Hawaiian home lands.
- (2) Require the DHHL to consult with State and county planning agencies in the update of its General Plan.

In conclusion, your Committee inserted a \$1 appropriation for the purpose of continuing discussion.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 109, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hamakawa.

SCRep. 215 Higher Education and the Arts and Education on H.B. No. 694

The purpose of this bill is to appropriate funds to the University of Hawaii College of Education to fund vacant positions to maintain current academic programs and to ease the teacher shortage.

The University of Hawaii submitted testimony in support of this measure.

Upon careful consideration, your Committees have amended this bill by:

- (1) Stating that the appropriation will be used to fund vacant positions to train secondary teachers in math, science, and special education, and counselors; all of whom are in short supply; and
- (2) Making technical, nonsubstantive amendments for purposes of style and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and the Arts and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 694, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 694, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Takumi, Yonamine, Anderson and Halford.

SCRep. 216 Higher Education and the Arts on H.B. No. 1203

The purpose of this bill is to establish an incentive program at the University of Hawaii to provide tuition waivers to students who agree to pursue an academic curriculum that would qualify them to work as public-sector, registered professional nurses.

The University of Hawaii School of Nursing submitted testimony commenting on this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1203 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara, Takumi, Yonamine and Anderson.

SCRep. 217 Transportation on H.B. No. 2061

The purpose of this bill is to allow the Department of Transportation the authority to name its own highway facilities.

Your Committee on Transportation finds that control over the naming of facilities maintained by the Department of Transportation (Department) should reside with the Department of Transportation. Your Committee recognizes the commitment of the director to use Hawaiian names; however, it is wary that the statutory discretion provided to the director may be abused. Therefore, your Committee recommends that the Commission on Transportation submit recommendations to the Department.

Your Committee received testimony in support of this bill from the Department of Transportation.

Your Committee has amended the bill to:

- (1) Redesignate the new section to place it in the Highways section of the Hawaii Revised Statutes; and
- (2) Make a technical, non-substantive change for the purpose of style and clarity.

In conclusion, your Committee recommends passage of the bill as amended with the aforementioned recommendation.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2061, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Suzuki.

SCRep. 218 Labor and Public Employment on H.B. No. 354

The purpose of this bill is to change the period of employment to qualify for temporary disability from four calendar quarters to the calendar immediately preceding the first day of disability.

The Department of Labor and Industrial Relations submitted testimony in support of this measure.

Based on the recommendation of the Department of Labor and Industrial Relations, your Committee has amended this bill to refer to "fifty-two weeks" instead of "calendar year". This amendment would enable any individual to receive full credit for qualifying employment during the current and previous years.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 354, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 354, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Alcon.

SCRep. 219 Labor and Public Employment on H.B. No. 650

The purpose of this bill is to replace the existing language of the domestic service exclusion under the Hawaii Employment Security Law with the comparable section of the Internal Revenue Code.

The effect of this amendment will be to eliminate the current exemption of individuals paid less than \$225 per calendar quarter by an employer. However, the exemption of domestic services where an employer pays less than a total of \$1000 per calendar quarter remains the same.

The Director of Labor and Industrial Relations and the Director of Hale Mahaolu Personal Care Program testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 650 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 220 Labor and Public Employment on H.B. No. 854

The purpose of this bill is to encourage employers to be more candid in their response to inquiries concerning job performance of former employees by protecting employers from civil liability for good faith disclosure of former employees' job performance to a prospective employer.

Assessing a prospective employee's future job performance is not an easy task. One measure often sought is information about how the prospective employee performed in previous jobs. Unfortunately, some employers are reluctant to reveal this type of job-related information about a former employee's job performance due to fear of possible lawsuits.

When such job-related information is sought by a prospective employer, very little information is revealed to assist the prospective employer in making an informed hiring decision.

Testimony in support of this measure was submitted by the Department of Human Resources Development, the Hawaii State Personnel Council, the Department of Public Safety, the Retail Merchants of Hawaii, Western Temporary Services, Territorial Savings, the Chamber of Commerce of Hawaii, the Hawaii Bankers Association, the Hawaii League of Savings Institutions, and the Hawaii Association of Temporary Services. The Hawaii Nurses' Association submitted comments on the bill.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 854 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Alcon.

SCRep. 221 Labor and Public Employment on H.B. No. 1041

The purpose of this bill is to add a retired member of the Employees' Retirement System to the membership of the Board of Trustees (Board) of the Hawaii Public Employees Health Fund.

Testimony supporting the intent of this measure was submitted by the Hawaii Public Employees Health Fund, the Coalition of Hawaii State/Counties Retirees, Inc., and the Retirees Unit of the HGEA/AFSCME Local 152.

Your Committee finds that rather than add an additional member to the Board, the clergy member position, which has been vacant since June 30, 1992, should be deleted. By keeping the membership of the Board at nine members, decision making will be better facilitated.

Accordingly, your Committee has amended this bill by deleting the member of the clergy from the composition of the Board.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1041, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 222 Labor and Public Employment on H.B. No. 1045

The purpose of this bill is to propose an amendment to the Constitution of the State of Hawaii to require the convening of a Commission on Government Organization and Efficiency in the year 2005, and every tenth year thereafter.

Your Committee finds that the Commission proposed by this bill is necessary to conduct a comprehensive review of state government operations to make recommendations for administrative and legislative action. As a result, current and future state government operations would become more cost-effective and efficient.

Testimony was submitted by the Department of Budget and Finance and the Chamber of Commerce of Hawaii.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1045 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Alcon and Nakasone.

SCRep. 223 Labor and Public Employment on H.B. No. 1586

The purpose of this bill is to allow the exclusive representative of Bargaining Unit 10 (Institutional, Health, and Correctional Workers) to rely on binding arbitration as a means of settling disputes over the terms of an initial or renewed agreement.

Testimony supporting the intent of the measure was submitted by the Office of Collective Bargaining, the Department of Human Resources Development, the United Public Workers, the University of Hawaii Professional Assembly, the Hawaii State Fire Fighters Association, and the State of Hawaii Organization of Police Officers.

Your Committee finds that existing law allows only Bargaining Unit 11 (Firefighters) and Bargaining Unit 12 (Police Officers) to rely on binding arbitration to settle disputes because these units are considered essential to public health and safety. In addition to Bargaining Unit 10, Bargaining Unit 9 (Registered Professional Nurses) should also be given the same consideration because they would probably also be designated as employees who occupy essential positions.

After full and free discussion, your Committee has amended this bill by:

- (1) Providing that Bargaining Unit 9 be allowed to rely on binding arbitration;
- (2) Clarifying that a single arbitrator, and not an arbitration panel, would be responsible for arbitration proceedings; and

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1586, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 224 Labor and Public Employment on H.B. No. 1588

The purpose of this bill is to afford wastewater treatment plant operators the same benefits with respect to pensions and retirement that other sewer and wastewater collection system personnel enjoy by expanding the definition of sewer worker to include wastewater treatment plant operators.

Wastewater collection system personnel are exposed to potentially pathogenic bacteria and other potentially hazardous conditions as a part of their daily duties. As a result, these personnel are allowed certain benefits relating to pensions and retirement. Wastewater treatment plant operators are exposed to these same conditions during their daily duties.

Testimony in support of this measure was submitted by the United Public Workers, AFSCME, Local 646, AFL-CIO. The Employees' Retirement System submitted comments.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1588 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 225 Labor and Public Employment on H.B. No. 1687

The purpose of this bill is to allow the Board of Trustees of the Hawaii Public Employees Health Fund (Board of Trustees) to negotiate or use other competitive procedures in selecting a carrier or third-party administrator for any benefit plan, which is to be based on specifications and considerations determined by the Board of Trustees.

Your Committee received testimony on this measure from the Department of Budget and Finance and the Hawaii Employees Health Fund.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1687, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1687, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Alcon.

SCRep. 226 Labor and Public Employment on H.B. No. 1697

The purpose of this bill is to reduce the size and cost of government and complement the actions of current state and county administrations to impose needed fiscal constraints on spending.

Specifically, this bill:

- (1) Seeks to reduce the number of employees by an unspecified percentage to effect needed cost savings and maintain employment security in the work force;
- (2) Permits filling of essential positions through internal transfers or promotions and external hires for certain classifications; and
- (3) Requests the administration to engage in a formal effort to involve state employees in the process of streamlining operations.

A Kauai County Council member and the Chamber of Commerce of Hawaii testified in support of this measure. The Department of Budget and Finance and an economist also testified on this bill.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1697 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Nakasone.

SCRep. 227 Education on H.B. No. 1175

The purpose of this bill is to:

- (1) Increase the school level minor repairs and maintenance accounts from \$8,000 to a maximum of \$200,000; and
- (2) Require the Department of Education to provide each school principal with an approved list of private contractors.

The Department of Accounting and General Services submitted testimony in support of the intent of this measure. The Department of Education submitted comments on this measure. The United Public Workers, AFSCME, Local 646, AFL-CIO submitted testimony in opposition to this measure.

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

- (1) Clarifying that the accounts may also be used for school level improvements;
- (2) Reducing the school level minor repair, improvements, and maintenance accounts from \$200,000 to \$25,000;
- (3) Deleting the provision that required the Department of Education to provide each school principal with an approved list of private contractors; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1175, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1175, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Takamine, Takumi, Yonamine, Anderson and Halford.

SCRep. 228 Education on H.B. No. 1404

The purpose of this bill is to establish a pilot program for the expansion of Aikahi Elementary School library and special education facilities.

Several concerned citizens testified in strong support of this measure. The Department of Education submitted testimony in support of the intent of this measure.

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

- (1) Requiring the Department of Education and the Department of Accounting and General Services to consult with the School/Community-Based Management (SCBM) Council or the Parent Teacher Association (PTA) in the selection of the most qualified and lowest bidder to construct the improvements;
- (2) Clarifying that the review of any documents prepared by the SCBM Council or the PTA be prioritized and expedited by the Departments of Education and Accounting and General Services;
- (3) Appropriating funds for the purposes of the pilot project; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1404, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Takamine, Takumi, Yonamine and Halford.

SCRep. 229 Education on H.B. No. 1505

The purpose of this bill is to propose an amendment to Article VII of the Hawaii State Constitution to require not less than thirty percent of all sources of state revenue to be appropriated each fiscal year for the public school system.

The Department of Education submitted testimony concurring with the intent of this measure. The Hawaii State Teachers Association submitted testimony in support, but with reservation on this measure. The Tax Foundation of Hawaii submitted comments on this measure.

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

- (1) Deleting public libraries from the list of specified expenditures; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1505, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Lee and Takamine.

(Representatives Pepper, Takai, Takumi and Anderson voted no.)

SCRep. 230 Energy and Environmental Protection on H.B. No. 390

The purpose of this bill is to establish an Environmental Audit Review Commission, administratively attached to the Department of Health, to review confidential, voluntary evaluations performed by operators to determine compliance with environmental laws and regulations, and to develop recommendations to correct any violations or infractions.

Your Committee finds that the issues surrounding voluntary environmental audits are many and complex. An ad-hoc task force, composed of representatives from private businesses and state and county government have spent long hours developing this draft of the bill, which represents some consensus and some outstanding disagreements. All participants have encouraged your Committee to keep this bill alive with the current attached house draft.

Some outstanding issues which continue to be discussed by the ad-hoc group include:

- (1) Should this privilege extend to the counties and their facilities?
- (2) What exactly needs to be reported to the Department of Health?
- (3) What documents are considered confidential and protected?
- (4) Should audits be limited in size and scope?
- (5) What other information can the Department of Health continue to acquire that will not be confidential and privileged?
- (6) What further refinements can be made in the legal procedures entailed in the process?

In conclusion, your Committee is encouraged by the cooperation of all interested parties in attempting to reach a mutually satisfactory version of this bill. While disagreements do remain to be resolved, we have amended H.B. No. 390 by inserting the agreed-upon draft, and passes it on to be used as a basis for further discussion. Your Committee does suggest that legal definitions for the terms "in camera hearing" and "in camera review" be inserted in any future draft of H.B. No. 390.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 390, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 390, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takamine.
(Representatives Meyer and Thielen voted no.)

SCRep. 231 Energy and Environmental Protection on H.B. No. 392

The purpose of this bill is to allow any state agency which conducts energy efficiency projects that result in financial savings to the state, to continue receiving appropriations for energy expenditures at a level equal to those made prior to enacting the projects (it serves, in effect, to reward energy efficiency with the equivalent amount of money that the project saves).

Supportive testimony was presented by the State of Hawaii (Department of Business, Economic Development, and Tourism), the County of Hawaii, and regulated industry (Hawaiian Electric Company).

While testifiers were unified in supporting the concept underlying this bill, concern was expressed that any financial savings generated by its enactment might be lost by the specific agency into the State's general fund. This could result in the agency bearing the costs involved in creating the savings mechanism, while failing to reap the rewards its efforts generated.

Concern was also expressed that deleting provision (5) of Section 36-41 (a) of the Hawaii Revised Statutes (HRS) could result in unconstitutional contract extensions.

Your Committee therefore amended H.B. No. 392 by reinserting provision (5) of Section 36-41(b) HRS; deleting Section 36-41(c) HRS; and replacing Section 36-41(d) HRS with wording which prevents penalizing the implementation of energy savings measures, and directs the governor to seek mechanisms for rewarding agencies for their energy savings practices.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 392, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 392, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Takamine and Yoshinaga.
(Representative Kanohe voted no.)

SCRep. 232 Energy and Environmental Protection on H.B. No. 400

The purpose of this bill is to simplify the State's requirements for solar water-heating device installation.

Testimony was presented by the State of Hawaii (Department of Business, Economic Development, and Tourism), trades representatives, and solar industry members.

Discussion centered primarily around whether only plumbing and wiring specialists should continue to perform plumbing and electrical connections for solar water heating devices for residences, or whether solar installers should also be allowed to perform those connections.

As the law now stands, any solar installation first requires that an electrician disconnect existing wiring then reconnect it after the solar tank is installed, and that a member of the plumbing and fitting industry physically disconnect and reconnect the pipes for each installation. While this is true in theory, actual practice is sometimes different: particularly in rural areas, the plumbers and electricians often sign off on the work done by the solar contractors, either after a brief inspection of the residential installation, or sight-unseen when the plumber or electrician is comfortable with the competence level of the solar device's installer. This can put competent tradespeople at risk in terms of liability issues if the installations are done improperly.

This bill seeks to rectify that problem, allow more latitude to the solar industry, and reduce the costs generated by duplicative inspections for solar consumers.

Your Committee determined that these objectives could best be accomplished by amending Section 1 to indicate the need to explore removal of unenforceable rules governing solar installers and duplicative charges to consumers.

Additionally, Section 2 of H.B. No. 400 has been modified to reflect changes in Chapter 444, Hawaii Revised Statutes (HRS), rather than by changing Chapter 448E. Chapter 444 is amended to include a directive to the Department of Commerce and Consumer Affairs that it amend its rules in order to facilitate solar contractors being able to install and remove water heating systems in single family residential dwellings and certain multi-family dwellings, while assuring that professionalism and safety are not compromised.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 400, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Takamine.
(Representative Kanofo voted no.)

SCRep. 233 Energy and Environmental Protection on H.B. No. 518

The purpose of this bill is to require the State to consider the feasibility of installing cool storage air conditioning systems in state construction projects.

Testimony was presented by the State of Hawaii's Department of Accounting and General Services (DAGS) and by Hawaiian Electric Company.

Your Committee notes that Hawaii's climate is particularly suitable to designing low-rise buildings to provide a comfortable environment without the use of air conditioning. Planning and design modes such as some of the following can reduce our dependence on artificial cooling systems:

- *Wide eaves, verandas, or other fenestration that keeps sunlight from impinging on the walls of the building during normal occupancy.
- *Geographic orientation to make maximum use of prevailing winds.
- *Light colored roofs and ceiling insulation to minimize heat transmission into the building.
- *Higher than normal ceiling height and open courtyards within the building.

Your Committee also notes that when air conditioning is necessary, it would be desirable to maximize the use of non-petroleum energy sources (which are available during utility off-peak hours and utility off-peak hour rates) whenever it is economically feasible to do so.

Where air conditioning is required, your Committee believes all plans and specifications for the construction of these public air conditioned buildings and facilities should incorporate feasibility studies of designing the entire building or facility to take full advantage of cool storage air conditioning and related "cold air" distribution systems. House Bill No. 518 begins to accomplish that goal.

Prior to setting guidelines and standards for cool storage systems in Hawaii, however, the existing installations need to be evaluated from several perspectives:

- *Projections about the realistic economic payback of such systems based on varying rates for electrical power need to be developed.
- *Data needs to be compiled on operational reliability, equipment performance and maintenance records.
- *Hawaii's extant installations should be compared with those of other locations.
- *Recommendations for implementation guidelines and standards need to be developed.

Finally, your Committee amends H.B. No. 518 in the following manner: Page 1, line 6 is changed to read: "construction of air-conditioned public buildings and facilities by the State"; and page 1, lines 18 through page 2, line 1 are replaced with the following: "indicates that the energy cost savings resulting from the installation of cool storage air conditioning systems will provide the State with a simple payback of five years or less."

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 518, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 518, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

SCRep. 234 Energy and Environmental Protection and Transportation on H.B. No. 73

The purpose of this bill is to establish an Office of Environmental Oversight within the Department of Transportation.

Testimony was presented by the State of Hawaii (Department of Transportation (DOT), the Office of State Planning), private enterprise, and concerned citizens.

Concern has been expressed in the past that the Department of Transportation has not displayed sensitivity to environmental issues, as evidenced by their bulldozing of endangered species habitat in a Natural Area Reserve in 1992.

Questioning revealed that the Department of Transportation, lacking a formal procedure for assuring environmental protection, considers environmental concerns on a case-by-case basis during execution of its projects. This approach has been used because it is theoretically cost effective; however, the DOT's history as defendants in litigation does not support this contention.

The DOT's testimony indicated their belief that creating an Office of Environmental Oversight would be duplicative of their present efforts, and that making those efforts more formalized would be a better approach to achieving solution.

Your Committees expressed willingness to support this effort; they asked that the DOT submit, in writing, an assessment of their environmental protection procedures as they have existed in the past, as well as their plans for more formalized protection procedures for the future. The DOT has agreed to do so, and will shortly present those assessments to your Committee chairs.

Being convinced that the Department of Transportation personnel were expressing a genuine willingness to change their methodology and make it more effective, your Committees have modified H.B. No. 73 to indicate that the Director of the Department of Transportation shall provide the environmental oversight delineated in this bill.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 73, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 73, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Isbell, Kanoho, Nakasone, Takamine, Ward and Yoshinaga.

SCRep. 235 Energy and Environmental Protection and Hawaiian Affairs and Housing on H.B. No. 76

The purpose of the bill is to mandate that the Counties shall require solar retrofit piping to be installed in all new housing units, in order to encourage energy conservation efforts throughout the State.

Testimony was presented by representatives from the State of Hawaii (Department of Business, Economic Development, and Tourism), regulated utility companies (electric and gas), the private building industry, and the solar industry.

Discussion centered on whether legislating solar mandates for County building codes would in effect usurp County home rule powers; on the need to modify residential building designs in order to accommodate solar retrofit piping; and on how the residential building industry and the solar industry educate their buying public about solar water heating options.

Concern was expressed that solar building mandates would force home buyers to pay for residential features they might not wish to use. Some testifiers felt that solar was of little interest to the buying public because other options were as economical to operate while costing less to install; others said the public is not offered adequate opportunity to install solar devices while building.

Your Committees have determined that fully developing solar options was more constructive than mandating them, and that efforts need to focus on single family dwellings and low rise multi-unit buildings, rather than upon all new dwellings.

To those ends, H.B. No. 76 has been amended to direct modifications to all county building codes that will ensure that contractors and builders of all new single family homes and multi-family residential buildings of four stories or less are aware of, and consider the installation of, solar water heating equipment where it is feasible and compatible with the location, financing, and design of the homes or buildings.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Hawaiian Affairs and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 76, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 76, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Hamakawa, Stegmaier and Takamine.

SCRep. 236 Energy and Environmental Protection and Hawaiian Affairs and Housing on H.B. No. 396

The purpose of H.B. No. 396 is to require the Counties to submit drafts of the energy efficiency standards required in each building code to the Department of Business, Economic Development, and Tourism prior to adoption, and further to require that energy efficiency standards apply to all residential housing as well as to commercial buildings.

Testimony was presented by the State of Hawaii (Department of Business, Economic Development, and Tourism), regulated industry (Hawaiian Electric Company and BHP Petroleum), and private industry representatives.

Discussion focused primarily on previous adoption by the 1992 Legislature of Act No. 255; and of the state's adoption of the Model Energy Code (MEC), which has already been incorporated by the City and County of Honolulu and by the County of Hawaii; Kauai and Maui Counties are expected to follow suit very shortly.

Act No. 255 was written to promote the use of solar energy for water heating, but it contains a clause indicating that it is only in effect through 1995. By modifying its wording to include all projects approved after January 1, 1995, and by the ongoing incorporation of the MEC, the purposes of this bill are fulfilled.

Your Committees therefore voted to remove all the language of H.B. No. 396 and to replace it with modified language from Act No. 255, changing only those clauses that terminated that Act in 1995 to make its effect ongoing. By doing so, Your Committees are causing the Housing Finance and Development Corporation to require, as a condition of approval of any residential development project constructed with state funds, located on state lands, or otherwise subsidized by the state, the installation of solar water heating equipment to heat residential water in at least fifty percent (50%) of all projects approved after January 1, 1995.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Hawaiian Affairs and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 396, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 396, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Hamakawa, Stegmaier and Takamine.

SCRep. 237 Economic Development and Business Concerns on H.B. No. 1380

The purpose of this bill is to appropriate funds to the following county economic development boards:

- (1) The Economic Development Corporation of Honolulu;
- (2) The Hawaii Island Economic Development Board;
- (3) The Kauai Economic Development Board; and
- (4) The Maui Economic Development Board.

Your Committee is aware of the exemplary partnership efforts that county economic development boards have formed with the private sector, and county, state, and federal agencies toward achieving economic diversification and revitalization on each island. These efforts have resulted in realizing attractive job opportunities and attracting viable, new businesses to the community.

Testimony in support of the bill was received from the Mayor of Kauai, the Mayor of Maui, the County of Hawaii, the Chair of the Kauai County Council, the Chair of the Maui County Council, the Executive Director of the Office of Economic Development of the City and County of Honolulu, the President of the Hawaii Island Economic Development Board, the President of the Maui Economic Development Board, the President of the Kauai Economic Development Board, and the Economic Development Corporation of Honolulu. The Department of Business, Economic Development, and Tourism submitted testimony in support of the bill, with the provision that the bill does not replace or adversely impact the priorities in the 1995-1997 Executive Biennium Budget.

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

- (1) Including appropriations for the 1996-1997 fiscal biennium;
- (2) Inserting the appropriation sum of \$1 for each year of the 1995-1997 fiscal biennium to each of the county economic development boards, to facilitate further discussion and to allow the House Committee on Finance to determine the appropriate sums; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1380, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1380, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cachola.

SCRep. 238 Economic Development and Business Concerns on H.B. No. 1684

The purpose of this bill is to appropriate funds for librarian salaries and other library support of the Business Information Center at Maui Research and Technology Center.

Your Committee recognizes that businesses, schools, universities, and government agencies rely on information and services provided by the Business Information Center. Your Committee further recognizes that the Business Information Center has grown to become a central point for business research activity for entrepreneurs, businesspersons, and community residents. It is your Committee's belief that the vital business services of the center are critical to support a healthy business environment in Hawaii.

Your Committee notes the immense success realized by the Business Information Center and recognizes the potential of the Business Information Center in becoming a self-supporting and income-generating entity, which would be a true asset to the State.

Testimony in support of this bill was received from the Manager of the Business Information Center and the Maui Center Director of the Small Business Development Center, Maui Community College. Letters from private individuals in support of the Business Information Center were also submitted to your Committee.

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

- (1) Including an appropriation for the 1996-1997 fiscal year;
- (2) Inserting the appropriation sum of \$1 for each year of the 1995-1997 fiscal biennium to facilitate further discussion and to allow the House Finance Committee to determine the appropriate sums;
- (3) Changing the expending agency from the Maui Research and Technology Center to the Department of Business, Economic Development, and Tourism; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1684 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1684, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cachola.

SCRep. 239 Economic Development and Business Concerns on H.B. No. 1876

The purpose of this bill is to provide increased flexibility in the loan programs of the Department of Business, Economic Development, and Tourism (DBEDT) by:

- (1) Authorizing DBEDT to transfer up to \$1,000,000 per year between:
 - (a) The State Disaster Revolving Loan Fund and the Hawaii Capital Loan Revolving Fund; and
 - (b) The State Disaster Revolving Loan Fund and the Hawaii Innovation Development Loan Revolving Fund;

provided that in a disaster, an additional transfer of up to \$2,000,00 may be transferred between the funds; and
- (2) Incorporate the large and small fishing vessel programs and their revolving funds into the Hawaii Capital Loan Program.

Your Committee believes that this bill will provide the fund transfer flexibility needed for immediate assistance to businesses and individuals suffering from a disaster, such as Hurricane Iniki. In addition, your Committee finds that consolidating both fishing vessel loan programs into the Capital Loan Program will simplify the administration of the Direct Business Loan Program to meet the changing needs of the Hawaii business community.

Testimony in support of the bill was received from DBEDT.

Upon careful consideration, your Committee has amended this bill by making technical, nonsubstantive amendments to conform with current state statute and legislative drafting style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1876, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cachola.

SCRep. 240 Human Services on H.B. No. 407

The purpose of this bill is to appropriate funds for various activities such as respite care and training to support those who care for family members at home.

Testimony in support of the bill was submitted by the National Association of Retired Federal Employees and an individual. The Department of Human Services submitted testimony supporting a comprehensive approach to caregiving in Hawaii. The Department of Health, the Department of Education, and the Executive Office on Aging supported the intent and purpose of the bill. However, all four of these state agencies also testified that they did not support any funding that replaced the Administration's budget priorities.

Your Committee finds that many people who require long-term care are receiving care in the home from family members. Many of these family caregivers endure the severe stresses associated with providing twenty-four hour care. Family caregivers should be supported with respite care and training opportunities.

The appropriate alternative for many who are cared for in the home is placement in nursing homes. But many of those who are receiving care prefer to remain in the home, and very high costs are associated with institutionalized care. However, if placed in nursing homes, many would qualify for Medicaid. Many of those who would not immediately qualify financially for Medicaid would eventually qualify since they would quickly "draw down" their savings because the costs of nursing home care are so high.

It should be noted that the State provides half of the funding for Medicaid. Therefore, family caregivers are in effect saving the State from the high expenditures associated with providing many people with long-term care through Medicaid.

While in support of the intent and purpose of the bill, the Executive Office on Aging suggested an amendment. Upon further consideration, your Committee has amended the bill as follows:

- (1) Appropriated \$1,600,000 instead of \$1,700,000 for the provision of support services, training, and respite care to families and caregivers who provide home care to individuals with developmental disabilities and mental illness; and
- (2) Deleting the \$100,000 appropriation for the design and implementation of a pre-retirement and caregiver demonstration program for state employees since such a program has already been created.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 407, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 407, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawananaoka.

SCRep. 241 Human Services on H.B. No. 589

The purpose of this bill is to appropriate additional funds for the chore services program to supplement those appropriations contained in the executive budget bill as submitted to the Legislature so that a sufficient amount is available for all clients needing the service.

Testimony from the State Planning Council on Developmental Disabilities, the American Association of Retired Persons, Child and Family Service, the National Association of Retired Federal Employees, the Maui Senior Citizens Planning and Coordinating Council, the Community Elder Abuse and Neglect Task Force, Maui Economic Opportunity, Inc., Hawaii Centers for Independent Living, 85 members of Advocates for Independent Living and three individual citizens was received in support of this measure. While supporting the intent of H.B. 589, the Department of Human Services stated in their testimony that they cannot support a bill which exceeds the executive budget limit.

It is noted by your Committee that community-based services cost significantly less than institutional-based services. As an example, the cost of institutionalizing an individual at Leahi Hospital ranges from \$45,000 to \$90,000 per individual per year, with the State paying half the cost. The Department of Human Services estimates the annual cost of chore services at \$7,000 per individual, of which the State pays approximately two-fifths of the total cost.

It is also noted that because chore workers are paid at minimum wage rates, they deliver an economical service that keeps low-income individuals off of expensive Medicaid rolls. In addition, the administrative costs for this program have been kept unusually low so that all of the money allocated to it goes for client care. However, some chore service providers have found that, while they are already stretching their State POS Contracted funds by paying their workers minimum wages, this has resulted in frequent turnover, severe recruiting limitations and higher administrative costs which are unreimbursable by the contract. If this situation continues, providers may be forced to cut services.

Your Committee is in full support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 589 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 242 Human Services on H.B. No. 1036

The purpose of this bill is to require the Department of Human Services (DHS) to release the identity and mailing address of foster parents to a foster parent association. The bill also requires DHS to release to a foster parent association the names of relative caregivers and foster parents licensed for specific children, with the consent of these relative caregivers and foster parents.

The DHS, the Hawaii State Foster Parents Association (HSFPA), and a number of foster parents submitted testimony in support of the bill.

Your Committee finds that the existing confidentiality law severely constrains foster parents and relative caregivers from networking, organizing, sharing information, and making training opportunities available. These kinds of activities may very well improve the quality of foster care. The intent of this bill is to balance confidentiality with the need to enable a foster care association to contact foster parents and relative caregivers to inform them of its activities.

While in support of the bill, HSFPA recommended an amendment. According to HSFPA, this revision was the result of a mediation process entered into by DHS, the Office of the Attorney General, the Courts, and HSFPA as a result of a resolution adopted by the Legislature last year. DHS submitted testimony that it had no objections to this revision. Your Committee has amended the bill to incorporate the HSFPA recommendation specifying to whom and the kind of information DHS shall release.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1036, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1036, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Kahikina and Kawanakoa.

SCRep. 243 Human Services on H.B. No. 1986

The purpose of this bill is to clarify that the Department of Human Services (DHS) may place a lien on the property of any person who receives public assistance and is overpaid, as long as the property is not being lived in by the recipient.

DHS submitted testimony in support of the bill.

In the discussion about the bill, concerns by Committee members were expressed that this bill may allow DHS to place a lien against property without first recovering overpaid amounts from future payments. The Office of the Attorney General testified that administrative rules require DHS to recover overpayments by withholding ten percent of future payments before placing a lien on property. Your Committee supports this approach to recovering overpayments.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1986 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 244 Human Services on H.B. No. 1987

The purpose of this administration bill is to extend the sunset clause for the Non-Medicaid Personal Care Program until June 30, 1997.

Testimony from the Department of Human Services and the Commission on Persons with Disabilities was received in support of this bill. Hawaii Centers for Independent Living, the Kokua Council and an individual citizen submitted testimony in strong support of this measure.

It is noted in your Committee that the Non-Medicaid Personal Care Services Program provides affordable long-term care services on a sliding fee scale to a gap group of 60 clients who are elderly disabled, residing in the community, and not eligible for Medicaid. Under this program, all clients pay for a portion of their services and the general fund share is included in the current funding levels for the biennium. If the law is not amended to extend the sunset clause, the services will cease on June 30, 1995, and many of these individuals will have to be institutionalized.

It is also noted that the Department of Human Services will consider extending the sunset clause during the supplemental legislative session if QUEST Phase II is not initiated by June 1997.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1987 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawanakoa.

SCRep. 245 Human Services on H.B. No. 1991

The purpose of this bill is to separate the Statewide Council on Independent Living (Council) from the Department of Human Services (DHS).

DHS and the Commission on Persons with Disabilities submitted testimony in support of the bill. According to DHS, recent amendments to the Federal Rehabilitation Act of 1973 prohibit the Council from being placed within a state agency such as DHS. Noncompliance with the federal law would jeopardize continued federal funding for independent living programs within DHS and to the Hawaii Centers for Independent Living.

Your Committee is concerned that separation from DHS would also remove the staffing support needed by the Council. The Office of the Attorney General (AG) testified that DHS would be allowed to continue to provide staffing since the

Council is required to develop and submit jointly with DHS a state plan. However, the AG also testified that the law would contain nothing specific about funding for staffing.

Therefore, your Committee emphasizes that the Vocational Rehabilitation Division of the DHS continue to provide adequate staffing support to the Council.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1991 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pepper.

SCRep. 246 Human Services on H.B. No. 2265

The purpose of this bill is to convert positions currently exempt from chapters 76 and 77, Hawaii Revised Statutes, within the department of human services' long-term care channeling office, Project Malama, to civil service positions.

Testimony from the Department of Human Services, Senior Companion Program; the University of Hawaii at Manoa, School of Social Work; Catholic Services to the Elderly; Child and Family Service; Kokua Council for Senior Citizens; St. Francis Medical Center; Hale O'Hauoli Resident Association; the Free Vietnam Association of Hawaii; and eight private citizens was received in support of this measure.

The Department of Human Services, Director's office, submitted testimony which recognizes that Project Malama staff provides an important service to families attempting to care for older family members at home; however, they are unable to support this measure which would increase the permanent position count above the levels in the executive budget.

It is noted by your Committee that Project Malama enables the older frail population to remain living in their homes by providing case management services, thereby delaying or completely avoiding institutionalization.

It is also noted by your Committee that the Project Malama staff have been on temporary, exempt status for the past twelve years. Passage of this measure will provide a sense of stability for the Project and guarantee continuity of care and services to the elderly population, demonstrating that our state really cares about its seniors, and ensures that the cost savings demonstrated by this program become a permanent part of our state's services.

Your Committee is in full support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2265 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative Kawanakoa voted no.)

SCRep. 247 Human Services on H.B. No. 2266

The purpose of this bill is to establish a Hawaii Long-Term Care Trust Fund System as a first step toward the implementation of a State long-term care financing program.

Testimony from the Executive Office on Aging, the American Association of Retired Persons, the Coalition for Affordable Long Term Care, the National Association of Retired Federal Employees, the American Association of University Women, the Kokua Council for Senior Citizens, the Family Hope Coalition, and two private citizens was received in support of this measure. The Department of Health submitted testimony deferring to the Executive Office on Aging (EOA) since the EOA is the administration's lead agency on the issues of long-term care financing. The Department of Taxation also submitted testimony in support of the concept of this measure; however, they requested that this measure would require the board of trustees of the System to consult with the Department of Taxation.

Testimony from the Healthcare Association of Hawaii, The Chamber of Commerce of Hawaii, and the Hawaii State Association of Life Underwriters was received in opposition to this measure.

It is noted by your Committee that the enactment of a long-term care financing program which embodies elements proposed within the Hawaii Family Hope Program includes the choice of provider, quality assurances, a steady source of reimbursement, and thus the stimulation of the home and community-based and nursing home industries, new jobs to accompany the foregoing, and a reduction of the Medicaid reimbursement dependency of over 80% of the nursing home population to 20% in the decades ahead.

It is also noted by your Committee that this measure acknowledges the heavy demands placed upon caregivers, many of whom bear continuous caregiving responsibilities along with responsibilities which are tied to the needs of their own immediate families, their jobs, and their commitments within the larger community.

Without the enactment of a national health and long-term care program, it is even more important that Hawaii move forward with its own plan for long-term care just as it did for health care coverage twenty years ago. Governor Cayetano has indicated that he hopes to build upon the work completed to date in long-term care, and to move forward to provide Hawaii's citizens with the security and assurances needed to comfort them that the State will be a partner in helping them meet their long-term care needs.

Your Committee is in full support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2266 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Pepper and Kawananaokoa.

SCRep. 248 Human Services and Health on H.B. No. 1113

The purpose of this bill is to require the Department of Human Services (DHS) to allow health care coverage under Hawaii Health QUEST (QUEST) to pregnant women with annual incomes at or below 185 percent of the federal poverty level who have not yet been finally determined to be eligible for coverage. This is similar to the "presumptive eligibility" for medical services under the Medicaid Options for Mothers and Infants Program (MOMI), which was terminated with the commencement of QUEST.

Testimony in support of the bill was submitted by Child and Family Service, the Hawaii Early Intervention Coordinating Council, the Hawaii Nurses' Association, Healthy Mothers, Healthy Babies Coalition of Hawaii, IMUA Rehab, Kahuku Hospital, Kalihi-Palama Health Center, the March of Dimes Birth Defects Foundation, Papa Ola Lokahi, Waianae Comprehensive Health Center, the Office of Hawaiian Affairs, the Hawaii Chapter of the American Academy of Pediatrics, the Hawaii Medical Association, the Hawaii Public Health Association, Kaiser Permanente, and three individuals.

The Department of Health supported the concept of early prenatal care. DHS supported the intent of the bill to expedite access to prenatal services for pregnant women.

Your Committees find that women who have early and regular prenatal care have healthier babies. However, there have been many anecdotal reports of the postponement of medical care because of delays in enrolling pregnant women in QUEST.

Presumptive eligibility was a cornerstone of the MOMI program, along with enhanced prenatal services. After the MOMI program was started in 1989, Hawaii experienced a dramatic improvement in birth outcomes for low income families. In addition, the State experienced cost savings due to lower percentages of Medicaid-eligible lower birthweight babies requiring lengthy hospital stays, medical and social services, and long term special education due to irreversible birth results.

The termination of the MOMI program on August 1, 1994, resulted in a reversal in accessibility to medical services for low income pregnant women. Although all pregnant women are eligible for coupons under QUEST to cover prenatal care, the system is working poorly. One result, for example, is that there has been a documented increase in the percentage of pregnant women, including teens, receiving late prenatal care.

While supporting the intent of the bill, DHS testified that presumptive eligibility is not required. DHS intends to expedite the eligibility determination of pregnant women by dedicating a separate eligibility staff unit to process the applications of pregnant women. DHS testified that this special unit would begin operations in about a month and would process applications in a week.

Your Committees are hopeful that this special unit will have its intended effect. However, doubts have been raised since DHS was not able to give details of the mechanisms that would be used to contact certain kinds of applicants such as those who are homeless or those who do not have telephones. Therefore, your Committees have decided to recommend that this bill proceed through the legislative process until DHS demonstrates that the special unit has substantially expedited the process of determining the eligibility of all pregnant women applicants.

Several testifiers recommended various amendments to the bill. Upon further consideration, your Committees have amended the bill as follows:

- (1) Referred correctly to the Medicaid Options for Mothers and "Infants" (MOMI) rather than "children";
- (2) Clarified that the purpose of the bill is to restore presumptive eligibility to "pregnant women and infant applicants" rather than "applicants";
- (3) Clarified that the presumptive eligibility under QUEST would be under conditions that are similar, not the same as, those of the MOMI program;
- (4) Specified that one condition for qualifying for presumptive eligibility is an annual income at or below "the maximum allowable by federal law under the section 1115 waiver" rather than "one hundred eighty five percent of the federal poverty level for the State";
- (5) Specified that another qualifying condition for presumptive eligibility is a positive test for pregnancy through urinalysis or a "medical examination" rather than a "physician's medical examination"; and
- (6) Made a technical, nonsubstantive revision to correct a spelling error.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1113, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1113, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Stegmaier.

SCRep. 249 Tourism on H.B. No. 581

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for a cooperative marketing program aimed at international travelers who plan to seek medical care services abroad.

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

Your Committee finds that health-related tourism has experienced some of the fastest growth in the travel industry, and that this niche confers proportionally greater economic benefit to its destinations by expanding health facilities for local residents and by creating greater opportunities for high-technology and high-wage employment.

Your Committee revised the bill by:

- (1) Adding a provision for the establishment of an ad-hoc task force within the Department of Business, Economic Development, and Tourism to develop a cooperative marketing program aimed at international travelers who plan to seek medical care services abroad and formulate a plan to encourage health tourism in Hawaii;
- (2) Changing the appropriation amounts to \$1 for each fiscal year for the purpose of continuing discussion of the bill; and
- (3) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 581, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 581, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 250 Labor and Public Employment on H.B. No. 921

The purpose of this bill is to reduce projected expenditures by state and county public employers with regard to the Hawaii Public Employees Health Fund.

H.B. No. 921 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 921, as amended herein, and recommends that it be recommitted to the Committee on Labor and Public Employment, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 921, H.D. 1.

Signed by all members of the Committee except Representative Alcon.

SCRep. 251 Labor and Public Employment on H.B. No. 1914

The purpose of this bill is to make consistent the requirements for eligible groups in the Employees' Retirement System to receive the two and one-half percent retirement benefit by clarifying that public safety investigations staff investigators are required to work the last five years prior to retirement as a public safety investigative staff investigator.

By way of a brief background, Act 196, Session Laws of Hawaii 1994, enabled public safety investigations staff investigators to retire with the two and one-half percent benefit formula but did not require that their five years of service prior to retirement be in the same capacity. Currently, all police officers, firefighters, and other investigators must work the last five years in those capacities to qualify for the two and one-half percent benefit.

The Employees' Retirement System submitted comments on the measure.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1914 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 252 Agriculture on H.B. No. 502

The purpose of this bill is to appropriate funds to develop and implement a marketing campaign to promote Hawaii-grown agricultural products in mainland and foreign markets.

Your Committee notes that this bill provides that the marketing campaign focus on five specific crops grown in Hawaii, of which one is to be coffee.

Your Committee recognizes the great economic potential of marketing Hawaii's agricultural products outside of the state. In this regard, your Committee is aware of the need to expand Hawaii's market to familiarize out-of-state consumers with the fine quality and appeal of Hawaii's agricultural products and commodities. It is your Committee's belief that this effort will further expand the state's market to enable increased growth of Hawaii's products.

Testimony in support of this bill was received from ILWU Local 142. Testimony in opposition to this bill was received from the Department of Agriculture (DOA).

Upon consideration, your Committee has amended this bill by:

- (1) Inserting the appropriation sum of \$1 for each year of the 1995-1997 fiscal biennium to facilitate further discussion on the subject;
- (2) Changing the expending agency from the DOA to the Governor's Agriculture Coordinating Committee (GACC);
- (3) Requiring the GACC, rather than DOA, to determine the crops to be promoted in the marketing campaign; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 502, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai and Halford.

SCRep. 253 Agriculture on H.B. No. 1150

The purpose of this bill is to appropriate funds for each year of the 1995-1997 fiscal biennium for the promotion of statewide agricultural activities of the Hawaii State Farm Fair.

Your Committee notes the importance of the Hawaii State Farm Fair in promoting locally-grown agricultural products and highlighting the agricultural activities of Hawaii's farmers. In this regard, the Hawaii State Farm Fair has been instrumental in educating the general public about the important contributions of the agriculture industry to the state economy.

Testimony in support of the bill was received from the Hawaii Farm Bureau Federation; the President and owner of Koolau Agricultural Co., Ltd.; and the University of Hawaii-Manoa, College of Tropical Agriculture and Human Resources. The Governor's Agriculture Coordinating Committee (GACC) submitted testimony in support of the intent of the bill, provided that the bill does not change GACC's priorities as reflected in the 1995-1997 Executive Biennium Budget.

Upon consideration, your Committee has amended this bill by:

- (1) Changing the appropriation sums from \$50,000 to \$1 for each year of the 1995-1997 fiscal biennium, to facilitate further discussion on the subject matter;
- (2) Changing the expending agency to the GACC; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1150, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai and Halford.

SCRep. 254 Agriculture on H.B. No. 1151

The purpose of this bill is to appropriate funds for the Hawaii Tropical Flower Council to market and promote four major tropical flower commodity groups--anthurium, orchid, protea, and tropicals--to retail florists within the United States.

It is your Committee's belief that this bill is an important step in supporting Hawaii's tropical flower industry and diversified agriculture through promotional and marketing efforts outside of Hawaii.

Testimony was submitted by the Department of Business, Economic Development, and Tourism (DBEDT), which deferred to the Department of Agriculture regarding the appropriation sum in the bill. The University of Hawaii-Manoa, College of Tropical Agriculture and Human Resources (CTAHR) submitted comments, indicating that its intent is to contribute CTAHR's expertise to the decision making process, and not a university position.

Upon consideration, your Committee has amended this bill by:

- (1) Changing the appropriation sum from \$50,000 to \$1 to facilitate further discussion on the subject;

- (2) Changing the expending agency from the DBEDT to the Governor's Agriculture Coordinating Committee; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1151, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1151, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai and Halford.

SCRep. 255 Agriculture on H.B. No. 1319

The purpose of this bill is to appropriate funds for the research of pineapple pest projects at the University of Hawaii.

Your Committee notes that the pineapple industry continues to be a vital part of Hawaii's economy, contributing millions of dollars to the state's revenues. According to the Pineapple Growers Association of Hawaii, with the decline of the sugar industry by the year 1996, the pineapple industry will be the largest agricultural industry in the state in terms of employment and farm value. In this regard, it is your Committee's belief that continued research to control pineapple pest problems should be pursued.

Testimony in support of the bill was received from the Pineapple Growers Association of Hawaii, the Hawaiian Sugar Planters' Association (HSPA) and its member companies, and the staff of HSPA's Experiment Station. Although agreeing with the intent and purpose of the bill, the Department of Agriculture (DOA) did not support the bill in light of the state's fiscal condition. Comments were received from the University of Hawaii-Manoa, College of Tropical Agriculture and Human Resources.

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

- (1) Changing the appropriation sum from \$300,000 to \$1 for fiscal year 1995-1996, to facilitate further discussion on the subject matter;
- (2) Clarifying that the appropriation is for pineapple pest projects at the University of Hawaii;
- (3) Changing the expending agency from the DOA to the Governor's Agriculture Coordinating Committee; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1319, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1319, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai and Halford.

SCRep. 256 Agriculture on H.B. No. 1435

The purpose of this bill is to stipulate that all bananas served in school lunches of the School Lunch Program of the Department of Education, be bananas grown and cultivated in Hawaii.

It is your Committee's belief that this bill will help further efforts to familiarize Hawaii's residents with island-grown and produced agricultural products, as well as familiarize Hawaii's school children with the unique quality and flavor of Hawaii-grown bananas. Furthermore, this bill will give support to the state's banana industry.

Testimony in support of this bill was received from the Department of Agriculture and the Hawaii Farm Bureau Federation. The Department of Education had no objection to the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1435 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Takai and Halford.

SCRep. 257 Agriculture on H.B. No. 1132

The purpose of this bill is to support agriculture.

H.B. No. 1132 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1132, as amended herein, and recommends that it be recommitted to the Committee on Agriculture, for the purpose of holding a public hearing, in the form attached hereto as H.B. No. 1132, H.D. 1.

Signed by all members of the Committee.

SCRep. 258 Agriculture on H.B. No. 1133

The purpose of this bill is to support agriculture.

H.B. No. 1133 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1133, as amended herein, and recommends that it be recommitted to the Committee on Agriculture, for the purpose of holding a public hearing, in the form attached hereto as H.B. No. 1133, H.D. 1.

Signed by all members of the Committee.

SCRep. 259 Judiciary on H.B. No. 1188

The purpose of this bill is to promote the independence and impartiality of the State Ethics Commission (Commission) by:

- (1) Prohibiting a member of the Commission from holding office for more than 90 days after the expiration of the member's term; and
- (2) Providing that the Commission fill a vacancy if the Governor fails to fill a vacancy within 60 days of the expiration of a commissioner's term.

The Commission and Common Cause Hawaii testified in support of this measure.

Your Committee finds that under the current law, it is not clear whether a commissioner can legally retain office as a hold over after the term of office has expired. Further, in order to ensure that appointments are made in a timely manner, the Commission should be allowed to make appointments if the Governor fails to do so.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1188 and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Cachola, McMurdo and Menor.

SCRep. 260 Judiciary on H.B. No. 1268

The purpose of this bill is to increase the number of circuit court judges in the fifth circuit from one to two.

The Judiciary presented testimony in support of this measure.

Your Committee finds that there is only one circuit court judge for the fifth circuit and that the population of the fifth circuit has increased by four percent since 1991 thus becoming the fastest growing population of all the circuits.

Your Committee recognizes that it has become more difficult for a single circuit court judge to handle the administrative duties and at the same time manage and hear an active caseload.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1268 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo and Yoshinaga.

SCRep. 261 Judiciary on H.B. No. 1270

The purposes of this bill are to:

- (1) Authorize an additional law clerk for the civil administrative judge, the civil motions judge, and the criminal motions judge for the first circuit;
- (2) Transfer an existing law clerk position from the fifth circuit to the first circuit
- (3) Change the name of the family court judge of the first circuit from "family court administrative" to "senior" judge; and
- (4) Authorize three additional positions on the Judicial Education Staff.

Testimony in support of this bill was received from the Judiciary.

Your Committee finds that due to improvements in caseload and disposition rates, the backlogs in the circuit and family court have been reduced. Consequently, operational and administrative duties of the judges within these divisions have increased requiring the need for additional law clerks.

Further, your Committee finds that the absence of a family court administrative judge in the fifth circuit warrants the transfer of the fifth circuit law clerk to the first circuit.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1270 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo and Yoshinaga.

SCRep. 262 Judiciary on H.B. No. 1353

The purpose of this bill is to create an office of elections, to establish an elections appointment panel, and to remove the chief elections officer function from the Office of the Lieutenant Governor.

Your Committee received testimony in support of this bill from the Office of the Lieutenant Governor, and Common Cause Hawaii.

Separating the elections functions and personnel from the Lieutenant Governor's office will serve to avoid potential conflicts of interest which may arise as the result of the present provision designating the Lieutenant Governor as the Chief Election Officer.

Your Committee amended the bill by:

- (1) Adding language to clarify that the duties and functions of the Director of Elections and the duties and functions of the General Administrator of the Elections Division be performed by the Chief Election Officer.
- (2) Providing for removal of the Chief Election Officer by the elections appointment panel, rather than by the Governor.
- (3) Providing that transfer of authority to the Chief Election Officer shall occur ninety days following his appointment, or February 1, 1996, whichever occurs first.
- (4) Providing for technical and non-substantive changes for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1353, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1353, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo and Menor.

SCRep. 263 Judiciary on H.B. No. 1355

The purpose of this bill is to make an appropriation for career criminal prosecution units, special prosecution units, and victim witness programs.

Favorable testimony was received from the Prosecuting Attorney's offices from the City and County of Honolulu, Hawaii County, and Kauai County.

Your Committee recognizes the need to continue funding for these units and programs.

Amendments were made to correct the specific amounts of the grants-in-aid and expenditures for each respective jurisdiction.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1355, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1355, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McMurdo, Menor and Yoshinaga.

SCRep. 264 Judiciary on H.B. No. 1568

The purpose of this bill is to appropriate funds for the No Hope in Dope Program.

The Judiciary, the Department of Public Safety, the Department of Education, the Honolulu Police Department, the principals of several Hawaii public intermediate and high schools, and members of the public testified in strong support of this measure.

Your Committee finds that this program has provided an outstanding service to the community by educating the youth of Hawaii about the dangers of drug use.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1568 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McMurdo, Menor, Yamane and Yoshinaga.

SCRep. 265 Judiciary on H.B. No. 1663

The purpose of this bill is to appropriate funds to the City and County of Honolulu for community policing efforts.

The State of Hawaii Organization of Police Officers and members of the public testified in favor of this measure.

Your Committee finds that community policing efforts have been successful in reducing crime. Unfortunately, the Community Policing Program which is funded by the Honolulu Police Department's patrol division is in danger of being down-sized or even terminated due to departmental budget cuts.

After free and open discussion, your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$2 for the purpose of further discussion; and
- (2) Making a nonsubstantive amendment to correct a drafting error.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1663 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1663, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McMurdo, Menor and Yoshinaga.

SCRep. 266 Judiciary on H.B. No. 1732

The purpose of this bill is to extend the life of the state's Martin Luther King, Jr., Commission (Commission) to coincide with the expiration of the Federal Commission.

The Democratic Party of Hawaii, the Commissioner of the Commission, individual members of the Commission, the Hawaii Baha'i Community, the Rainbow Coalition, Inc., Hawaii State Chapter, and members of the public testified in strong support of this measure.

Your Committee finds that because Dr. Martin Luther King, Jr., promoted equality for all people regardless of race, observances in celebration of Dr. Martin Luther King, Jr., are of benefit to all citizens of Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1732 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo, Menor and Yoshinaga.

SCRep. 267 Judiciary on H.B. No. 2021

The purpose of this bill is to appropriate funds to compensate victims of criminal injury, and their service providers as determined by the Criminal Injuries Compensation Commission.

The Criminal Injuries Compensation Commission testified in support of this measure.

Your Committee recognizes the need to compensate victims of criminal acts who have been physically injured.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2021 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo, Menor, Saiki and Yoshinaga.

SCRep. 268 Judiciary on H.B. No. 2090

The purpose of this bill is to appropriate funds for capital improvement projects for the Judiciary.

The Judiciary testified in support of this measure. The Estate of James Campbell testified in support of the planning funds for the proposed Family Court Center and the new Juvenile Detention Center.

Your Committee recognizes that the capital improvement funds are needed by the Judiciary to provide the facilities necessary to meet the growing needs of the State.

After free and open discussion, your Committee has amended this bill by:

- (1) Adding capital improvement projects for a Kauai judiciary complex and for the remodeling and upgrading of judiciary buildings statewide which are to be funded in fiscal years 1996 to 1997;

- (2) Authorizing the issuance of general obligation bonds to fund the appropriations: and
- (3) Adding language to provide that any funds unencumbered as of June 30, 1998 will lapse.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2090, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2090, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo, Menor, Saiki and Yoshinaga.

SCRep. 269 Judiciary on H.B. No. 2119

The purpose of this bill is to provide appropriations for a family visitation center.

Favorable testimony was received from Hawaii State Commission on the Status of Women, Hawaii State Committee on Family Violence, Honolulu City and County Prosecuting Attorney, Junior League of Honolulu, Family Peace Center, Family Visitation Center, Hawaii Lawyers Care, HOPE Domestic Violence Consultants, Domestic Violence Legal Hotline, Parents and Children Together (PACTS) Family Visitation Center, Academy of the Pacific Family Visitation Center, and Parents and Children Together.

Your Committee amended the bill by providing a specific amount for appropriations in Section 2.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2119, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McMurdo, Menor and Yoshinaga.

SCRep. 270 Judiciary on H.B. No. 1274

The purpose of this bill is to eliminate criminal penalties for parking violations on state property.

The Judiciary testified in support of this measure.

Your Committee finds that the criminal sanctions imposed by the current law prevent these parking offenses from being handled in the new civil traffic system. Since the majority of parking offenses have already been decriminalized, this measure would create consistency in dealing with parking violations.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1274 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, McMurdo and Yoshinaga.

SCRep. 271 Education and Higher Education and the Arts on H.B. No. 2280

The purpose of this bill is to make changes in the jurisdiction and administration of vocational education in Hawaii.

A state representative from the twenty-ninth district testified in support of this measure. The Department of Labor and Industrial Relations submitted comments on this measure. The State Board for Vocational Education and the Department of Education submitted testimony in opposition to this measure.

Upon careful consideration, your Committees have amended this bill by deleting the substance and inserting provisions to establish a task force to develop a plan to guide and strengthen vocational education in Hawaii.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2280, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2280, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Morihara, Takamine, Takumi, Yonamine and Anderson.

SCRep. 272 Hawaiian Affairs and Housing on H.B. No. 1778

The purpose of this bill is to preserve and protect unclaimed and abandoned kuleana lands.

This bill requires that any interest in kuleana land based on an escheat prior to July 1, 1977, shall lapse and pass to the Office of Hawaiian Affairs (OHA) unless the person claiming the escheat files an affidavit in the Bureau of Conveyances by December 31, 1996. In the event an interest in kuleana lands passes to OHA, it would conduct title and genealogical searches to locate any living heirs or successors and hold the parcel in trust for the heirs or successors.

In supporting this bill, OHA testified that this bill arose out of a judge's ruling that OHA's kuleana escheat interest could not apply retroactively, and only the death of kuleana owners after the passage of Act 307 in 1987, would give OHA

standing. It also testified that its intent is not to undo any quiet title actions already concluded or which would be commenced in the next two years. Instead, it proposes that any landowner who believes that one has an interest in abandoned kuleana file a claim within the next two years. Only if a claim is not filed during that period would that interest be extinguished.

The Department of Land and Natural Resources, Ka Lahui Hawaii, Kamehameha Schools/Bishop Estate, Malama Mookuaupahu O Kukaniloko, and a concerned citizen also submitted testimony on this bill.

After reviewing the testimony, your Committee has amended this bill as follows:

- (1) Adjusted the "savings clause" by exempting kuleana from the filing requirements when:
 - (a) An action to quiet title is filed rather than completed; and
 - (b) An application for confirmation and registration of title is filed or granted; the original bill required the issuance of a decree of confirmation and registration (Section 2, subsection (b));
- (2) Extended the deadline for the above filing from 1996 to January 1, 1999;
- (3) Provided a longer period for a claimant of an escheat to file an affidavit by also extending that deadline from 1996 to January 1, 1999; and
- (4) Clarified that OHA's role regarding parcels with no rightful claimants shall be to hold the parcels in perpetuity and not to sell it (Section 2, subsection c).

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

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1778, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1778, H.D. 1, and be referred to the Committee on Water and Land Use Planning.

Signed by all members of the Committee except Representatives Kawakami and Stegmaier.

SCRep. 273 Hawaiian Affairs and Housing on H.B. No. 1392

The purpose of this bill is to require that any increase in tax revenues resulting from an increase to the conveyance tax from its present rate of 10 cents per \$100 is to be deposited into the Rental Housing Trust Fund (RHTF).

Various community organizations supported this bill as a potential means of increasing revenues to the RHTF. The high demand for equity financing from developers of rental units for low-income families far outstrips the amount currently in the RHTF. The critical lack of rental housing in Hawaii underscores the need to increase this amount.

While in support of the bill, Catholic Charities recommended an amendment. Your Committee agrees with this recommendation and has amended the bill by deleting the requirement that any revenues resulting from any increase in the conveyance tax rate would be deposited in the RHTF. Instead, any increase in the aggregate of taxes collected in any particular year compared with 1995, whether there is an increase in the tax rate or not, would be deposited in the RHTF.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1392, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1392, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 274 Hawaiian Affairs and Housing on H.B. No. 2176

The purpose of this bill is to require the Legislature to transfer from the general fund to the Rental Housing Trust Fund (RHTF) an amount equal to the excess of general excise tax revenues received from landlords on amounts received from rentals over the aggregate amount of tax credits claimed by low income renters.

A variety of organizations supported the bill, including the Hawaii Chapter of the Rainbow Coalition, the Hawaii Association of Realtors, the Sisters of St. Joseph, and the Homeless Ohana Association. The Department of Taxation (Department) testified that it did not oppose the bill.

According to the Department, an estimated \$13 million was paid in taxes by those who were eligible to claim tax credits as low income renters in 1992. In that same year a total of \$6.2 million in low income renter tax credits was actually claimed. The difference of \$6.8 million may be used as a rough estimate of the funds that would be transferred to the RHTF annually.

Your Committee has amended this bill by requiring the Director of Taxation to submit its report to the Legislature on or before the end of the twenty-fourth month following the end of each calendar year beginning with 1994, rather than 1993. This amendment is needed to retain consistency with the requirement that the Legislature transfer the appropriate amount of funds from the general fund to the RHTF beginning with the Regular Session of 1996.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2176, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2176, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 275 Hawaiian Affairs and Housing; Health; and Human Services on H.B. No. 970

The purpose of this bill is to provide funds to cover the costs of implementing outreach and case management assistance to the homeless people at the Honolulu International Airport.

The bill outlines a proposal by the Kalihi-Palama Health Center to establish a four-year demonstration project known as "A Viable Alternative to Living at the Airport" (AVALA). The program recognizes the need for a long-term solution. The purpose of the program is to provide a safe and stable environment where homeless people could receive needed care.

Your Committees received testimony from the State Department of Health, the State of Transportation, the Hawaii Housing Authority, the Kalihi-Palama Health Center, the Waikiki Health Center, and private citizens in support of the intent of the measure.

Your Committees recognized a need to coordinate the efforts of the AVALA Program with those of the various other agencies whose responsibilities overlap regarding the issue of homelessness.

The Department of Human Services has been designated as the expending agency.

Your Committees amended Section 1 of the bill to include language to:

- (1) Encourage the AVALA Program to work closely with the Affordable Housing Alliance's Safe Haven Task Force;
- (2) Encourage the AVALA Program to assess and utilize the skills of the homeless people for rehabilitative and job training purposes; and
- (3) Request Federal Aviation Administration approval that a portion of federal funding earmarked for State airport maintenance be allowed to help support the AVALA Program.

In conclusion, your Committees revised the bill by changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill.

As affirmed by the record of votes of the members of your Committees on Hawaiian Affairs and Housing, Health, and Human Services that is attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 970, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 970, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Anderson.

SCRep. 276 Higher Education and the Arts and Education on H.B. No. 790

The purpose of this bill is to expand the scope of the Works of Art Special Fund by including costs relating to a culture and arts electronic database, performing and visual arts facilities, and art education.

Testimony in support of HB 790 was received from the Office of Economic Development, City and County of Honolulu; Pacific Academy for Culture and the Arts; Artists for a Visual Arts Center; Hawaii Alliance for Arts Education; and the University of Hawaii. The Department of Education, the Hawaii Watercolor Society, the Honolulu Theatre for Youth, and the Mayor's Office of Culture and the Arts also submitted comments on this bill. Numerous concerned citizens testified or submitted written testimony on this bill.

City and County officials strongly supported HB 790. The Department of Accounting and General Services advocated transferring monies in the Fund on Works of Art to the Special Fund on school facilities. Olelo and the Hawaii Visitor's Bureau supported the intent of the measure, although the Hawaii Visitor's Bureau testified it has already initiated an electronic database. Most testifiers were troubled with tapping the fund, but others expressed strong opposition. Members of the Committee expressed serious concerns about tampering with a 27-year longstanding fund.

Upon careful consideration, your Committees have amended this bill by:

- (1) Transferring \$3,000,000 from the Works of Art Special Fund to the grant fund of the State Foundation on Culture and the Arts.

As affirmed by the record of votes of the members of your Committees on Higher Education and the Arts and Education that is attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 790, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 790, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Morihara, Takamine, Takumi and Yonamine.

SCRep. 277 Higher Education and the Arts on H.B. No. 1517

The purpose of this bill is to appropriate funds to the University of Hawaii Athletic Department to comply with the requirements of Title IX.

Testimony supporting the intent of the bill was received by the University of Hawaii Athletic Department, however they declined to support the bill as currently written. Testimony in strong support of the bill was received by various interest groups.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1517 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Yonamine and Anderson.

SCRep. 278 Higher Education and the Arts on H.B. No. 1740

The purpose of this bill is to appropriate funds to establish a central office of the Polynesian Languages Forum at the University of Hawaii at Hilo.

The University of Hawaii at Hilo commented on this measure and the Polynesian Language Forum supported the measure.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1740 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Yonamine and Anderson.

SCRep. 279 Higher Education and the Arts on H.B. No. 1743

The purpose of this bill is to appropriate funds to establish a Master of Arts program in Hawaiian Language and Literature.

The Office of Hawaiian Affairs as well as concerned citizens testified in favor of this bill. The University of Hawaii at Hilo and the Chair of the Department of Hawaiian and Indo-Pacific Languages and Literatures submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1743, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Yonamine and Anderson.

SCRep. 280 Higher Education and the Arts on H.B. No. 784

The purpose of this bill is to amend Chapter 307, Hawaii Revised Statutes, relating to the Research Corporation of the University of Hawaii.

H.B. No. 784 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 784, as amended herein, and recommends that it be recommitted to the Committee on Higher Education and the Arts, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 784, H.D. 1.

Signed by all members of the Committee except Representatives Santiago, Shon, Stegmaier and Yonamine.

SCRep. 281 Higher Education and the Arts on H.B. No. 958

The purpose of this bill is to appropriate funds to the Creating Options for a Rape-Free Environment (C.O.R.E.) Program at the University of Hawaii at Manoa.

The Sex Abuse Treatment Center, the Hawaii State Coalition Against Sexual Assault, and concerned citizens submitted testimony in strong support of this measure. Several concerned citizens submitted testimony in favor of this measure. The University of Hawaii submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 958 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Yonamine and Anderson.

SCRep. 282 Higher Education and the Arts on H.B. No. 1304

The purpose of this bill is to appropriate funds to the University of Hawaii-West Hawaii to bring the budget of its education center on par per capita with the budgets of the other community colleges.

The Executive Chair of the Student Activities Council at the West Hawaii Educational Center submitted testimony in support of the intent of this measure. The University of Hawaii at Hilo submitted testimony in opposition to this measure.

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

- (1) Appropriating funds to provide additional services and educational opportunities in West Hawaii instead of referring to its per capita funding; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1304, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Yonamine and Anderson.

SCRep. 283 Hawaiian Affairs and Housing on H.B. No. 974

The purpose of this bill is to establish the Hui 'Imi, a task force of Hawaiian institutions and agencies, as a permanent advisory council within the Office of the Governor.

This bill would re-authorize the Hui 'Imi Task Force, which was created by Senate Concurrent Resolution No. 106, S.D. 1 in 1989. Composed of 18 public and private sector groups, the Task Force made recommendations regarding the coordination of public and private services available to Hawaiians in a wide range of areas including: education, economic development, housing, employment, medical and health, legal, cultural, and social service issues. Continuation of the Task Force will enable it to focus on the implementation of its earlier recommendations.

The members of the Task Force supported the intent of this bill and recommended various amendments. Specifically, it recommended that the proposed Advisory Council:

- (1) Be placed within the Lieutenant Governor's Office, instead of the Governor's Office. The Task Force believed this is consistent with the Governor's recent actions to reduce the number of offices under his direct authority;
- (2) Serve as a liaison between public and private entities; and
- (3) Submit annual reports.

The members of the Task Force also recommended that:

- (1) The requirement for staffing the Advisory Council be deleted;
- (2) Matching funding requirements be inserted into the appropriation section; and
- (3) Various provisions, especially in Section 1, be amended.

Also submitting testimony supporting this bill were: Kamehameha Schools/Bishop Estate; Ka Lahui Hawaii; E Ola Mau; Papa Ola Lokahi; the Waimea Hawaiian Homestead Association; the Association of Hawaiian Civic Clubs; Catholic Charities; and an interested citizen. Na Koa Ikaika also offered comments.

After reviewing the testimony, your Committee has amended this bill by:

- (1) Incorporating the recommendations of the members of the Task Force;
- (2) Adding the word "pono", which means "to see and make right", to the formal name of the Advisory Council;
- (3) Replacing references to the Senate and House committees with more generic language for flexibility purposes; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 974, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 974, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stegmaier.

SCRep. 284 Hawaiian Affairs and Housing on H.B. No. 1313

The purpose of this bill is to help determine the rightful successor to a 999-year homestead lease.

This bill would establish a successor determination program within the Office of Hawaiian Affairs (OHA) to assist individuals with an interest or presumed interest in a 999-year homestead lease to determine their legal interests. The range of services include:

- (1) Genealogy research assistance and guidance;
- (2) Research services;
- (3) Mediation services; and
- (4) Binding and nonbinding arbitration.

According to OHA, many lessee families find it difficult to determine who the rightful successors are to the leases. Some do not understand how the descent scheme works. Others lack accurate records and documentation that could assist them in determining rightful successorship.

Purchasing the property through Probate Court presents another set of problems. Many find it a costly and time-consuming process. Others are reluctant to pursue this avenue, because they fear it may cause greater conflict within their families.

OHA testified that this bill would provide lessees with an alternative to Probate Court that is less costly and more informal. It will also provide lessees with the services they need to determine successorship and to conduct binding or nonbinding arbitration of disputes regarding a determination.

Supporting testimony was also presented by the Department of Land and Natural Resources; the State Council of Hawaiian Homestead Association; the Aboriginal Native Hawaiian Association; and the Kawaihae Homestead Association.

After reviewing the testimony, your Committee has amended this bill by:

- (1) Inserting the proposed statutory language that establishes the successor determination program in Chapter 171, Hawaii Revised Statutes (HRS), instead of Chapter 10, HRS; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1313, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kawakami and Stegmaier.

SCRep. 285 Higher Education and the Arts on H.B. No. 298

The purpose of this bill is to authorize chartered student organizations of the University of Hawaii to expend public funds to employ legal services for those organizations.

The University of Hawaii at Manoa (UHM) Campus Center Board; KTUH-FM; and the Board of Publications-UHM submitted testimony in support of this measure. The University of Hawaii submitted testimony in support of the intent of this measure. The Office of the State Attorney General submitted comments including suggested revisions to this measure.

Upon careful consideration, your Committee has amended this bill by deleting the general substance and inserting language suggested by the Office of the State Attorney General to protect the State Treasury from liability arising from the uncontrolled and unsupervised activities of student organizations.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 298, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Yonamine and Anderson.

SCRep. 286 Tourism on H.B. No. 582

The purpose of this bill is to establish an ecotourism revolving fund supported by user fees to directly support improvement and preservation of Hawaii's natural public land areas, including state parks, monuments, wayside areas, and natural area reserves for the enjoyment of visitors and residents.

Your Committee received testimony in support of this bill from the Hawaii Nature Center, and comments on the bill from the Department of Business, Economic Development, and Tourism, and the Department of Land and Natural Resources.

Your Committee finds that the Department of Business, Economic Development, and Tourism has begun work on a comprehensive ecotourism plan with the University of Hawaii School of Travel Industry Management, and has formed a joint task force with the Land and Natural Resources departments to address ecotourism issues.

Your Committee revised the bill by:

- (1) Removing the provision establishing the ecotourism revolving fund;
- (2) Directing the Departments of Business, Economic Development and Tourism and Land and Natural Resources to formulate a plan to encourage ecotourism activity in Hawaii, using existing resources and the existing joint ad-hoc task force;
- (3) Requiring a report on the proposed plan no later than 20 days before the beginning of the regular session of 1996; and
- (4) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 582, H.D. 1, and be referred to the Committee on Water and Land Use Planning.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 287 Tourism on H.B. No. 1685

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for tourism sporting events.

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

Your Committee finds that numerous high-profile sporting events have directly generated a considerable amount of travel to Hawaii and given media exposure which created great interest in travel to Hawaii. In addition, many developing events show great potential for becoming major sporting events.

The NFL Pro Bowl in particular, has greatly added to Hawaii's stature as a sports center and created priceless media exposure.

Your Committee revised the bill by:

- (1) Adding a provision for funding of the NFL Pro Bowl in fiscal year 1995 to 1996;
- (2) Adding provisions for funding of the Ironman Triathlon, Great Aloha Run, Royal Hawaiian Rowing Challenge, 1995 PGA Grand Slam of Golf, Senior Skins, Lincoln Mercury Kapalua International and Kaanapali Classic in fiscal year 1995 to 1996, and the 1996 Amateur Public Links tournament in fiscal year 1996 to 1997, provided that the events raise equal matching funds, return unused funds and promote Hawaii as a visitor destination;
- (3) Changing the appropriation amounts to \$1 for each event for the purpose of continuing discussion of the bill;
- (4) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1685, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1685, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee and Takai.

SCRep. 288 Ocean Recreation and Marine Resources on H.B. No. 1807

The purpose of this bill is to appropriate funds for Capitol Improvement Projects that are relevant to ocean recreation and marine resources.

Specifically, this measure would provide that these sums be used to:

- (1) Design and construct the Ala Wai canal flushing system;
- (2) Clean up and maintain the Ala Wai canal;
- (3) Design and construct phase 1 of the Mariculture Research and Training Center at Hakipuu, Oahu;
- (4) Plan the Kalakaua Marine Education Center.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Ocean Recreation Council of Hawaii, the University of Hawaii, Manoa, the University of Hawaii, Hilo, Sea Grant, Puako Community Association, Hanohano Enterprises, Inc., Hawaii Freshwater Fishing Association, Kahala Kids Fishing Club, and various citizens.

Upon careful consideration, your Committee agrees that these projects are worthy of the designated moneys.

Your Committee amended the bill by:

- (1) Adding \$1,000,000 to the appropriation for the Ala Wai canal.
- (2) Making minor technical, non-substantive changes.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1807, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1807, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Anderson.

SCRep. 289 Ocean Recreation and Marine Resources on H.B. No. 2014

The purpose of this bill is to clarify the assessment from the boating special fund due to the general fund for central services expenses.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and various citizens.

One of the primary components of this bill is to provide the same criteria for assessment of boating special fund revenue for contribution to central services expenses that was in effect while the boating program was organized in the Department of Transportation. Further, your Committee is in agreement with the language of this bill which will exempt the boating special fund from:

- (1) The amount required for debt service payments;
- (2) Mandatory payments of contributions to OHA;
- (3) The amounts transferred to the Department of Public Safety for enforcement purposes; and
- (4) Payment for administrative expenses.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2014 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Anderson.

SCRep. 290 Human Services on H.B. No. 523

The purpose of this bill is to redefine any public assistance obtained by any fraudulent device to be considered as an act of theft.

Testimony from the Department of Human Services was received in support of this measure.

It is noted by your Committee that there are crimes identified only in Hawaii Revised Statute (HRS) §346, in particular, offenses against the food stamp program. All offenses identified in HRS §346 are misdemeanors regardless of the amount of money involved. By amending HRS §346 and §708-830 of the Hawaii Penal Code, the department will be able to classify crimes identified in HRS §346 as misdemeanors or felonies, as determined by the monetary amount involved and as identified in the Hawaii Penal Code.

Your Committee is in full support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 523 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 291 Human Services on H.B. No. 1985

The purpose of this bill is to amend the Hawaii Revised Statute (HRS) §346-71 by requiring physically impaired persons to seek medical treatment. HRS §346-71 is further amended by removing the rotation of mental impairment evaluations and deleting the psychologist or psychiatrist who made the determination as ineligible to provide the treatment or care.

Testimony from the Department of Human Services was received in support of this measure.

It is noted by your Committee that the QUEST program currently provides managed health care through a contract between the Med Quest Division and providers. Therefore, the rotation requirement and the evaluators being unable to provide treatment or care shall be removed from state statutes as they are not compatible with the managed health care

program. These requirements no longer serve the purpose for which they were intended. Rather, they impede the process and are an administrative burden.

Your Committee is in full support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1985 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 292 Human Services on H.B. No. 1989

The purpose of this bill is to transfer the functions related to foster care licensing from the Family and Adult Services Division of the Department of Human Services to the Office of Youth Services.

Your Committee finds that foster care licensing is currently a responsibility of the child welfare services section of each of the four branches of the Family and Adult Services Division. Foster care licensing has often been overshadowed by child welfare services' more compelling and critical mandate of child protection. Consolidating the foster care units as a single statewide unit under the administration of the Office of Youth Services would allow for the creation of a more visible and integrated state foster care licensing system. The Office of Youth Services, with its mandate to regulate, monitor, and evaluate children's services, is an appropriate agency to oversee foster care licensing.

In recognition of staffing and resource shortages facing foster care licensing, this administrative transfer is not a panacea for the serious problems related to foster care licensing. However, this transfer is intended to bring the increased attention and flexibility needed to build a more cohesive and coordinated licensing system that better addresses the problems of recruitment, retention, and quality care.

While in support of the bill, the Office of Youth Services suggested an amendment. The concept was addressed more fully in testimony on H.B. No. 1036, and supported by the Hawaii State Foster Parents Association (HSFPA) and a number of foster parents. Your Committee agrees with this suggestion and has amended the bill to allow for the release of the names, addresses, and phone numbers of foster parents and relative care givers to bona fide foster parent associations.

HSFPA consists of foster parents and relative caregivers and strives to provide training opportunities that meet a wide range of foster parent needs. However, HSFPA is severely constrained from contacting foster parents and relative caregivers to notify them of its activities. This amendment is intended to provide HSFPA and any other bona fide foster parent association with the information necessary to contact foster parents and relative caregivers so that the quality of foster care in Hawaii may be improved.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1989, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1989, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Kahikina and Kawanakoa.

SCRep. 293 Ocean Recreation and Marine Resources on H.B. No. 513

The purpose of this bill is to establish the marine and coastal affairs program within the Office of State Planning to assist the governor and Legislature in carrying out the policies, principles, and recommendations of the Hawaii ocean resources management plan. This bill also, repeals chapter 228 H.R.S., relating to ocean resources management.

Your Committee recognizes the critical need to establish a strong coastal and ocean resources policy and considers the intent of this bill to represent a landmark step towards establishing a consistent and comprehensive coastal and ocean resource plan for the State.

Your Committee received testimony in favor of this bill from the Marine Option Program at the School of Ocean and Earth Science and Technology, University of Hawaii, the National Resources Defense Council, and several citizens.

Testimony from the Office of State Planning suggested that the Hawaii Ocean Resources Management plan be integrated with the State's Coastal Zone Management program.

Accordingly, your Committee amended this bill by:

- (1) Integrating the provisions of this bill relating to ocean resources management with the existing State coastal zone management program;
- (2) Removing unfunded mandates;
- (3) Expanding the composition of the advisory group to insure broader participation; and
- (4) Making minor technical, non-substantive changes.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 513, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 513, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Anderson.

SCRep. 294 Judiciary and Consumer Protection and Commerce on H.B. No. 595

The purpose of this bill is to establish and appropriate funds for an electronic prescription accountability system.

Your Committees received testimony in support of this bill from the Department of Public Safety, the Prosecuting Attorney of the City and County of Honolulu, and the Hawaii Pharmaceutical Association.

Your Committees find that an electronic prescription monitoring system serves as a deterrent to persons who consider altering or abusing narcotic drug prescriptions. Your Committees find that the establishment of an electronic prescription accountability system will improve the State's ability to prevent the illegal diversion and abuse of Schedule II controlled substances.

Your Committees find that in March, 1992, the Department of Public Safety's Narcotics Enforcement Division established an electronic point-of-sale prescription monitoring program for Schedule II controlled substances. The Narcotics Enforcement Division contracted with a computer service provider to organize data and collect information on prescription drug information from dispensing pharmacies. This monitoring program is known as HISTEM (Hawaii Schedule Two Electronic Monitoring). The Department of Public Safety testified that federal funds allocated for this program will soon expire.

The Hawaii Pharmaceutical Association testified that the majority of pharmacies in the state participate in the electronic monitoring system voluntarily and that there are adequate safeguards present in this bill to allow pharmacies without computer systems to manually submit the requisite information. This testimony alleviated concerns that mandatory electronic monitoring would pose an undue financial hardship on some dispensers of controlled substances.

As affirmed by the records of votes of the members of your Committees on Judiciary and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 595 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, McMurdo and Meyer.

SCRep. 295 Judiciary on H.B. No. 659

The purpose of this bill is to exempt the Campaign Spending and Ethics Commissions from the prohibition against the employment of attorneys.

Your Committee received testimony in support of this bill from the Campaign Spending Commission, Hawaii State Ethics Commission, and Common Cause Hawaii.

This bill grants specific statutory authority to the respective Commissions to hire attorneys for representing them in litigation, rendering legal counsel, or drafting legal documents.

Your Committee amended this bill by deleting Section 2 which appropriated funds.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 659, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 659, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo and Menor.

SCRep. 296 Judiciary on H.B. No. 1004

The purpose of this bill is to establish a night court in the first judicial circuit to handle District Court cases.

Favorable testimony was received from the Judiciary, Honolulu City and County Prosecuting Attorney, Hawaii State Commission on the Status of Women, and Hawaii Lawyers Care. The HGEA submitted testimony in opposition.

Your Committee recognizes the need to address the urgency of hearing domestic abuse cases on a timely basis. However, testimony received indicated that the vast majority of these cases would be tried by a jury, and therefore would be heard by the Circuit Court. Night courts would thus be available for hearing other categories of cases which would be heard in District Court. Therefore, your Committee was of the opinion that cases which would be heard in night court should not be limited to only domestic abuse cases and that the court should be allowed the discretion to decide which cases would be heard.

Your Committee was of the opinion that hours for the existing district court judges could be modified to hear cases in night court, as opposed to providing two more district court judge positions.

Your Committee amended the bill by leaving in the law the present compliment of fourteen district court judges and by deleting all references to domestic abuse cases, thereby enabling the court to clear its docket of cases without regard to the

classification of cases which would be heard in night court, and leaving the court the discretion to decide which cases would be heard.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1004, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1004, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McMurdo, Menor and Yoshinaga.

SCRep. 297 Judiciary on H.B. No. 1857

The purposes of this bill are to:

- (1) Enable the Child Support Enforcement Agency (CSEA) to make information on a parent's child support obligation available to consumer reporting agencies;
- (2) Allow CSEA to recover the costs associated with providing information to consumer reporting agencies;
- (3) Clarify that a child support order shall be recorded in the Bureau of Conveyances or filed in the Office of the Assistant Registrar of the Land Court after filing in the Office of the Clerk of the Circuit Court; and
- (4) Enable the Attorney General to appoint a staff attorney to serve as the supervisor of the administrative process activities and staff.

The Department of the Attorney General testified in support of the intent of this measure.

Your Committee finds it essential that consumer reporting agencies are informed of the child support obligations of any parent who is delinquent in making child support payments to ensure that these parents do not incur financial obligations which would interfere with their ability to pay child support in a timely manner.

However, this need for disclosure must be balanced with the rights of the parent paying child support so that the parent may not be unduly burdened or restricted from obtaining consumer credit.

After free and open discussion, your Committee has amended this bill by:

- (1) Providing that the procedures for guarantees of payment of delinquent child support shall be effectuated after the delinquency is three months in arrears; and
- (2) Authorizing the hire of an assistant administrator to serve as controller overseeing the financial management systems including electronic data processing systems.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1857 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1857, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo, Menor, Saiki and Yoshinaga.

SCRep. 298 Judiciary on H.B. No. 2149

The purpose of this bill is to facilitate the availability and recruitment of eligible persons to serve as precinct officials by:

- (1) Permitting the Chief Election Officer to contract with community organizations to provide precinct officials and other election day workers without regard to party affiliation, and waive precinct official recruitment and placement requirements in special needs circumstances;
- (2) Decreasing the deadline for political parties to submit names of precinct officials from 90 to 60 days before the close of filing for an election; and
- (3) Allowing the payment schedule for precinct officials and related election day employees to be set by rule.

The Association of Clerks & Election Officers of Hawaii testified in support of this measure.

Your Committee finds that the recruitment of election day personnel is becoming increasingly more difficult. In the last year, approximately forty percent of the 2,380 positions on Oahu remained vacant about one month before the Primary Election.

Your Committee recognizes the need for more aggressive recruitment measures. To allow community organizations to fill election day positions would benefit the organization in its fund raising efforts, but more importantly, it would foster an increased interest and participation in the electoral process for persons who may not otherwise have the opportunity to participate in this process.

By giving greater flexibility to the Election Officer in filling these positions your Committee hopes to solve the growing problem of meeting the staffing needs of the precincts on election day.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2149 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo and Menor.

SCRep. 299 Economic Development and Business Concerns on H.B. No. 2254

The purpose of this bill is to establish an International Business Center of Hawaii (Center) to strengthen the state's economy by enhancing and expanding international business opportunities for private sector firms interested in conducting business in or through the state.

Your Committee believes that the Center would be a tremendous asset to the business community by providing trade and business assistance to Hawaii firms seeking to enter or expand in overseas markets. The Center would also facilitate the increased growth and development of international trade for the state. In addition, your Committee recognizes the immense potential of the Center to generate increased business opportunities and to support a more diversified economy.

Testimony in support of the bill was received from: the Economic Development Corporation of Honolulu; the Chamber of Commerce of Hawaii; the Honolulu Japanese Chamber of Commerce; Hawaii International Hospitality Center; a professor of business law at Hawaii Pacific University; KPMG Peat Marwick LLP's International Trade and Investment Services Group; the President of OMNI Trading Company; the Managing Director of Altres Financial's International Division; the President of World Trade Enterprises, Inc.; the Export Finance and Marketing Group; the Chair of the Pacific and Asian Affairs Council, and member of the Hawaii/Pacific District Export Council, Chamber of Commerce of Hawaii Executive Committee, and Pacific Basin Economic Council; the President of Hawaii Marketing Resource; Poi Pounder Designs; Hawaiian Hydroponics; and a private citizen. Testimony in support of the concept of the bill was received from Sealand. Your Committee also received comments from the Director of the Department of Business, Economic Development, and Tourism and the District Director of the U.S. Small Business Administration.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2254 and recommends that it pass Second Reading and be referred to the Committee on Intergovernmental Relations and International Affairs.

Signed by all members of the Committee except Representatives Morihara and Swain.

SCRep. 300 Tourism on H.B. No. 1049

The purpose of this bill is to add to the functions and duties of the Tourism Training Council the development of innovative means of enabling visitor industry employees to take temporary leave to pursue additional education or training related to the person's employment or the employer's business, and to include information on those efforts in their annual reports.

Your Committee received testimony in support of this bill from the Tourism Training Council.

Your Committee finds that the proposal would facilitate the opening of greater opportunities for workers in the visitor industry.

Your Committee revised the bill by:

- (1) Restoring the annual reporting requirement to make reference to only a single report; and
- (2) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1049, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1049, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 301 Higher Education and the Arts on H.B. No. 291

The purpose of this bill is to allow at least one student member to be appointed to the University of Hawaii Board of Regents.

Testimony in support of this bill was received by the Democratic Party and the Associated Students of the University of Hawaii (ASUH). Comments on the bill were received by the University of Hawaii Board of Regents and the University of Hawaii Student Caucus (UHSC).

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 291 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Santiago, Yonamine and Anderson.

SCRep. 302 Agriculture on H.B. No. 269

The purpose of this bill is to ensure the proper use of the term "Kona coffee" by:

- (1) Requiring that each word in the identity statement for coffee produced from Kona coffee beans, be:
 - (a) Contiguous to the name of the product; and
 - (b) In the same size type as the name of the product;
- (2) Deleting the requirement that each word in the identity statement be conspicuously displayed without any intervening material; and
- (3) Requiring all hotels and eating establishments that offer Kona coffee to state on their menus the words:
 - (a) "Kona coffee" or "100% Kona coffee" or a similar term, only if the coffee contains 100 percent Kona coffee by weight; and
 - (b) "Kona coffee blend", "Kona blend coffee", or "blended Kona coffee", if the coffee meets the requirements of Section 486-120.6(a)(1)(B), Hawaii Revised Statutes.

Your Committee is aware of incidences where consumers are misled to believe that they are purchasing 100 percent Kona coffee. It is your Committee's intent that this bill help address this problem and clarify any misapprehension in the general use of the term "Kona coffee".

Testimony in support of the bill was received from a representative of the Kona County Farm Bureau. Testimony was also received in opposition to the bill from the Department of Agriculture and the Hawaii Food Industry Association.

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

- (1) Deleting the requirement that each word in the identity statement for coffee produced from Kona coffee beans, be:
 - (a) Contiguous to the name of the product; and
 - (b) In the same size type as the name of the product;
- (2) Reinstating the requirement that each word in the identity statement be conspicuously displayed without any intervening material; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 269, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 269, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Takai and Halford.

SCRep. 303 Agriculture on H.B. No. 441

The purpose of this bill is to appropriate funds for the rehiring of the papaya ringspot virus surveillance crew to continue surveys of papaya production areas at closer intervals.

Your Committee recognizes the disastrous effects that the papaya ringspot virus has had on the papaya industry on the island of Hawaii. Due to the swiftness and severity of the virus in attacking papaya trees and plants, the papaya ringspot virus has all but severely crippled the papaya industry in Puna, where 95 percent of the state's papaya production occurs. Your Committee notes the efforts of the Department of Agriculture (DOA) to contain the virus and to prevent the virus from spreading to other papaya trees and production areas.

It is your Committee's strong belief that to contain the spread of the virus, all papaya farmers and growers must cooperate and comply with the request of the DOA to cut the papaya trees and plants affected by the virus.

Testimony in support of the bill was received from the President of Mainstreet Pahoehoe, the Puna Community Council, the Hawaii Papaya Industry Association, Aloha Produce Corporation, ILWU Local 142, and several papaya farmers. The University of Hawaii-Manoa, College of Tropical Agriculture and Human Resources submitted comments on the bill. The DOA testified in opposition to the bill.

Upon consideration, your Committee has amended this bill by:

- (1) Changing the appropriation sums for each year of the 1995-1997 fiscal biennium to \$1 for the purpose of facilitating further discussion on the subject matter;
- (2) Adding that, to supplement surveillance, the appropriation is also for other support needed to combat the papaya ringspot virus;

- (3) Adding a provision that the funds shall be used to benefit only those papaya farmers and growers who have complied with DOA's request to cut the trees and plants infected with the papaya ringspot virus; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 441, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 441, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Halford.

SCRep. 304 Agriculture on H.B. No. 1847

The purpose of this bill is to delete the requirement that the Department of Agriculture (DOA) obtain the Governor's approval prior to entering into any contracts or agreements.

The Board of Agriculture testified in support of this measure.

Your Committee finds that the DOA spends a substantial amount of time and effort seeking the Governor's approval prior to executing contracts and agreements. This measure will allow the Governor to determine which contracts and agreements require prior approval and provide uniformity with other state agencies.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1847 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 305 Agriculture on H.B. No. 159

The purpose of this bill is to assist farmers in lower Puna on the island of Hawaii who have suffered adverse economic loss from the ringspot virus affecting the papaya industry in their region.

The Kamehameha Schools Bishop Estate, the International Longshoremen's and Warehousemen's Union Local 142, and concerned citizens submitted testimony in support of this measure. The Hawaii Farm Bureau submitted testimony in support of the intent of this measure. The Department of Agriculture and the University of Hawaii College of Tropical Agriculture and Human Resources submitted comments on this measure.

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

- (1) Appropriating the sum of \$1 for the purpose of continued discussion;
- (2) Clarifying that the appropriation is provided to farmers who cooperate with the Department of Agriculture to minimize the spread of the papaya ringspot virus; and
- (3) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 159, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 306 Agriculture on H.B. No. 1512

The purpose of this bill is to appropriate funds on a dollar-for-dollar basis, for agricultural research and development, to be performed by the Hawaiian Sugar Planters' Association (HSPA) Experiment Station under the direction of the Hawaii Agricultural Research Corporation (HARC), in consultation with the Department of Agriculture (DOA).

Your Committee is aware of the need and immediacy to provide increased job opportunities in the state, particularly in those communities that are experiencing the debilitating effects of sugar company closures. Although the sugar industry has been downsized significantly, this industry continues to hold considerable economic and employment potential for developing new crops to best utilize the vacant agricultural sugar lands. In this regard, it is your Committee's firm belief that agricultural research be continued to support new agricultural ventures in the state.

The DOA testified in support of the intent of the bill but indicated that it was not able to support passage of the bill in light of the state's current fiscal situation. Testimony in support of the bill was received from the:

- (1) Hawaii Farm Bureau Federation (HFBF);
- (2) Pineapple Growers Association of Hawaii;
- (3) Hawaii Forest Industry Association;
- (4) Estate of James Campbell;

- (5) M.A. Robinson Trusts;
- (6) Chair of the HFBF Pesticide Education Committee;
- (7) HSPA Board of Directors and its member companies, AMFAC/JMB, Inc.; C. Brewer & Co., Ltd.; Dole Food Co., Inc.; and Gay & Robinson, Inc.;
- (8) HSPA and its member companies, and the HSPA Experiment Station staff; and
- (9) Several farmers and concerned citizens.

Accordingly, your Committee has amended this bill by:

- (1) Changing the appropriation sum from \$2,500,000 to \$1,000,000, in light of the state's current fiscal situation;
- (2) Applying the dollar-for-dollar match requirement to only \$500,000 of the \$1,000,000 appropriated for each year of the fiscal biennium, with these matched funds to be directed specifically to sugarcane research;
- (3) Changing the expending agency from the DOA to the Governor's Agricultural Coordinating Committee (GACC), and thereby providing that the appropriation for agricultural research and development be conducted under the direction of the HARC, in consultation with the GACC; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1512, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1512, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai and Halford.

SCRep. 307 Agriculture on H.B. No. 1527

The purpose of this measure is to supplement the federal cost-share program allotments to livestock producers for water quality management when the producer requires more than the annual maximum limit of the \$3,500 federal allotment.

Your Committee recognizes that the federal and state water quality mandates adversely impact livestock farms and that the federal allotment of \$3,500 per year does not always provide the producer with the required resources to meet these mandates. This bill will provide state relief when a producer needs more than the maximum federal allotment of \$3,500.

Testimony in support of the bill was received from the Hawaii Farm Bureau Federation and the Hawaii Association of Conservation Districts. The Department of Agriculture submitted testimony in opposition to the bill due to the State's fiscal condition.

Your Committee has amended this measure by:

- (1) Requiring each livestock producer to match and first use the maximum federal allotment;
- (2) Requiring the producer to match the state funding up to a maximum of \$3,500 total state allotment per producer; and
- (3) Changing the appropriation sum from \$100,000 to \$1 to facilitate further discussion on the subject matter.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1527, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1527, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 308 Education on H.B. No. 155

The purpose of this bill is to appropriate funds to establish public access television and a transmitter in Kau on the island of Hawaii.

The Department of Education submitted testimony in support of this measure.

Although the cost to set up a transmitter in Kau is approximately \$350,000, your Committee believes it would be a definite step toward enhancing distance learning access and sharing in Hawaii.

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

- (1) Appropriating the sum of \$1 for the purpose of continued discussion;
- (2) Expanding public access television to include a transmitter for the Hamakua Coast; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 155, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 155, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shon, Takumi and Yonamine.

SCRep. 309 Education on H.B. No. 992

The purpose of this bill is to exempt from the general excise tax law all support groups organized to benefit or assist the public schools.

The Department of Education submitted testimony concurring with the intent of the measure, hoping it would encourage more groups to help the public schools. The Tax Foundation of Hawaii submitted comments on the measure as well. Opposing the measure was the State of Hawaii Department of Taxation, claiming the bill provides preferential treatment to groups that are organized to benefit and assist public schools, but not to groups which try to assist private schools or other causes which must continue to pay the general excise tax.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 992 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara, Shon and Yonamine.

SCRep. 310 Education on H.B. No. 1429

The purpose of this bill is to appropriate funds for seven and one-half full-time equivalent (7.50 FTE) permanent registrar positions at intermediate schools.

The President of the Hawaii Registrars' Association submitted testimony in support of this measure. The Department of Education and the Principal of Moanalua Intermediate School submitted testimony on this measure.

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

- (1) Appropriating the sum of \$1 for the purpose of continued discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1429, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Shon, Takumi and Yonamine.

SCRep. 311 Education on H.B. No. 1520

The purpose of this bill is to appropriate funds for athletic trainer positions in the public schools.

The Department of Education submitted testimony in support of the bill.

The intent of this bill is to help ensure the health and safety of students who participate in athletics. It has been demonstrated that athletic trainers employ the principles of health care management to prevent and treat athletic injuries. This bill will make the services of athletic trainers available to more schools.

Your Committee finds that \$325,000 is needed to fund the creation of twelve full-time equivalent athletic trainer positions. As such, the bill has been amended as follows:

- (1) Inserted the sum of \$325,000 as the amount to be appropriated for each year of the fiscal biennium for twelve positions; and
- (2) Appropriated an additional sum of \$325,000 for fiscal year 1996-1997 for an additional twelve positions.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1520, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1520, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Shon, Takumi and Yonamine.

SCRep. 312 Education on H.B. No. 1541

The purpose of this bill is to appropriate \$50,000 for the Hilo Tsunami Museum to produce a statewide educational tsunami traveling exhibit for public schools.

The Executive Director of the Hilo Tsunami Museum submitted testimony in support of this measure. The Department of Education submitted testimony in concurrence with this measure.

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

- (1) Proposing the production of a tsunami warning video, rather than a traveling exhibit;
- (2) Reducing the appropriation to \$15,000; and
- (3) Making technical, nonsubstantive amendments for purposes of consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1541, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1541, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shon, Takumi and Yonamine.

SCRep. 313 Education on H.B. No. 1550

The purpose of this bill is to appropriate funds for the School-to-Work Transition Center Program at Farrington High School and Waianae High School.

The Department of Labor and Industrial Relations; the Oahu Filipino Community Council; the National Association of Social Workers, Hawaii Chapter; the President of the Kalihi-Palama Health and Social Services Development Corporation; several social workers; and numerous concerned citizens submitted testimony in support of this measure. The Department of Education submitted testimony concurring with the intent of this measure. The principal of Waianae High School submitted comments on this measure.

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

- (1) Providing for a nurse IV position at Waianae and Farrington School-to-Work Transition Centers;
- (2) Appropriating \$48,300 for each of the nurses' salaries; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1550, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1550, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shon, Takumi and Yonamine.

SCRep. 314 Education on H.B. No. 1667

The purpose of the bill is to appropriate \$53,000 to Maui High School for a peer education counselor/trainer and additional security personnel.

The Department of Education submitted testimony concurring with the purpose of the measure, however, while it supports the appropriation, it should not replace the Board of Education's current budget priorities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1667 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shon, Takumi and Yonamine.

SCRep. 315 Education on H.B. No. 1965

The purpose of this bill is to provide administrative flexibility in management and update of existing statutes affecting the public library system that was not possible under Act 272, SLH 1994.

The Hawaii State Public Library submitted testimony in favor of the measure as a means of streamlining library operations and better meeting customer needs.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1965 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee, Morihara, Pepper, Shon and Yonamine.

SCRep. 316 Education on H.B. No. 2072

The purpose of this bill is to appropriate funds to reduce the student-to-vice-principal ratio to not more than 500 to one.

The Department of Education submitted testimony concurring with the intent of the bill, provided that necessary appropriations do not affect the budget priorities of the Board of Education. Submitting testimony in support of the bill were the Kailua Elementary School P.T.S.A., the Hawaii Women Lawyers, the Windward Vice Principals Association, and Waiialae Elementary School.

Your Committee finds that the 1985 School Administrative and Clerical Support Staffing Study recommended a ratio of 500 to one. The current ratio is 550 to one. As such, for example, when the enrollment at an elementary school falls below 550, it no longer qualifies for a vice-principal.

It has been shown that the vice-principal is critical to the effectiveness of the principal. In turn, the principal is the key factor in the determination of educational quality at any school. Principals have the responsibility for a myriad of functions, from the supervision of teachers, clerical staff, and grounds and facilities staff, to community relations, P.T.S.A., A-Plus, and curriculum development.

Upon further consideration, your Committee has amended the bill by changing the appropriation to \$452,268, as an accurate calculation of the amount needed.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2072, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2072, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Shon, Takumi and Yonamine.

SCRep. 317 Water and Land Use Planning on H.B. No. 242

The purpose of this bill is to ensure the future availability of hiking trails, bikeways, scenic corridors, and shared use greenways. This bill would prevent the State from disposing of remnant roadways, thereby keeping such parcels in the public domain for these types of alternative public uses.

The Sierra Club, Hawaii Chapter, Hawaii's Thousand Friends, and a representative from the Paukea Community Association, the Rural South Hilo Community Association, and the Share Onomea Access Group testified in support of this bill. Testifiers were concerned that remnant roadways should be protected from private encroachment and be maintained for public use.

The Department of Land and Natural Resources (Department) testified that it is neither practical nor good business to retain remnant parcels, provided that they are not required for public purpose. The Department pointed out that the sale of remnant parcels reduces the State's liability and maintenance responsibility.

Your Committee has amended this bill by replacing the language banning the disposition of all remnant roadways with language limiting this ban to remnant roadways that the Board of Land and Natural Resources (Board) has determined serves a public purpose. It is the intent of this amendment to ensure that the Board first determines whether any public purpose would be served by keeping a remnant roadway in the public domain. In determining public purpose, the Board should consider a wide range of public uses and activities, both near-term as well as long range. If no public purpose would be served, then the Board may dispose of the property.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 242, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kanohe.

SCRep. 318 Water and Land Use Planning on H.B. No. 486

The purpose of this bill is to expand the protection of the landowners liability law to include the practice of gathering by native Hawaiians.

Under present law, the State encourages landowners to make land and water areas available to the public for recreational purposes by limiting their liability toward persons entering areas for such purposes. Currently, the definition of "recreational purpose," does not include traditional gathering. This bill would include traditional gathering rights in the definition of a "recreational purpose," and thereby encourage land owners to allow access to areas for such purposes.

The Sierra Club testified in support of this measure. The Department of Land and Natural Resources supported the intent of this measure. The Koolau Agricultural Co. Ltd., opposed this measure. A concerned citizen also provided testimony on this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the right to gathering is pursuant to Article XII, Section 7 of the Constitution of the State of Hawaii rather than Chapter 7, Hawaii Revised Statutes, (page 2, line 7 of the bill as received);
- (2) Deleting the proposed amendment to Section 520-1 found in Section 1 of this bill. Since the proposed definition of "recreational purpose" more explicitly defines gathering rights, it would be redundant to amend Section 520-1 for the same purpose; and
- (3) Making technical, non-substantive changes for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 486, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as H.B. No. 486, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 319 Water and Land Use Planning on H.B. No. 1766

The purpose of this bill is to increase penalties for repeat trespass offenders and thereby provide a deterrent to persons who might engage in theft or vandalism and also to amend Section 134-5, Hawaii Revised Statutes (HRS).

Your Committee received testimony in support of this bill from representatives of the Hawaii Farm Bureau and the Hawaii Cattlemen's Council, Inc.. A representative of the Department of Land and Natural Resources testified that the amendment to Section 134-5, HRS, contains language that might allow a person to be prosecuted more harshly than intended. Concern was raised that the language, "provided that any hunting or shooting activity be legally permitted," might cause a hunter who shot a buck instead of a doe to lose the protections of Section 134-5, HRS. In that case, the hunter might be liable to prosecution under Section 134-6, HRS, which confines possession of a firearm to a person's residence or place of business, with limited exceptions. Violation of Section 134-6, HRS, is a felony.

Your Committee decided to refer the bill to the Judiciary Committee unamended and request that it consider whether interpretation of the phrase "legally permitted" could result in unintended consequences.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1766 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kanoho, Yoshinaga and Meyer.

SCRep. 320 Water and Land Use Planning on H.B. No. 2017

The purpose of this bill was to extend the deadline date to consummate the land exchange involving private lands north of Wahiawa, Oahu, owned by the George Galbraith Estate and public lands in Kapolei, Ewa, Oahu from June 30, 1995 to June 30, 1996.

The Department of Land and Natural Resources strongly supported the passage of this measure. The Office of Hawaiian Affairs also provided testimony on this bill.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2017 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Yoshinaga and Meyer.

SCRep. 321 Water and Land Use Planning on H.B. No. 2108

The purpose of this bill is to authorize and encourage the Department of Land and Natural Resources (DLNR) to enter into public/private partnerships in the management of state parks.

Your Committee received testimony in support of this bill. A representative of DLNR expressed the department's concern that the bill might allow the displacement of civil service personnel.

After discussion, your Committee finds that public/private partnerships can benefit state parks and enhance recreational opportunities to the general public by providing additional personnel and services.

Your Committee has amended the bill by adding a provision stating that the department may not enter into any management agreement that will displace public employees.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2108, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Kanoho, Yoshinaga and Meyer.

SCRep. 322 Water and Land Use Planning on H.B. No. 2129

The purpose of this bill is to establish the Main Street program within the Department of Land and Natural Resources (DLNR). The Main Street program seeks to revitalize Hawaii's small town business districts, through the principles of historic preservation.

Your Committee received testimony in support of this bill from a representative of the Historic Hawai'i Foundation. A representative of DLNR testified that the program has generated economic growth, increased residents' involvement in their communities, and aided the preservation of Hawaii's heritage. The department representative indicated that DLNR would be willing to continue administration of the Main Street program provided that passage of this bill does not adversely impact priorities as indicated in the Executive Biennium Budget.

After discussion, your Committee finds that the Main Street program has merit and should be continued, and that the issue of appropriations should be left to the Finance Committee.

Your Committee amended the bill by removing the specific appropriations sum and by making a technical nonsubstantive amendment for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2129, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanofo, Yoshinaga and Meyer.

SCRep. 323 Water and Land Use Planning on H.B. No. 2143

The purpose of this bill is to authorize the Board of Land and Natural Resources to lease campsites or sites to war veteran eleemosynary corporations in a state park area or on lands under the control of the Department of Land and Natural Resources (DLNR) at nominal consideration.

This bill is an extension of Section 171-43.1, Hawaii Revised Statutes (HRS), which provides for the leasing of public lands to an eleemosynary organization which has been certified to be tax exempt by the Internal Revenue Service (IRS).

Your Committee was concerned that certain war veteran organizations may not have an IRS tax-exempt status and, as a result, may not be able to lease campsites or sites. Currently, there is a discrepancy between the provisions of Sections 171-43 and 171-43.1, HRS, regarding the tax-exempt status of eleemosynary organizations.

DLNR, the Office of Veterans Services of the State Department of Defense (DOD), and the Advisory Board on Veterans Service of the State DOD testified on this bill.

After extensive discussion, your Committee has amended this bill by:

- (1) Replacing the proposed amendments in this bill with language clarifying that an eleemosynary organization under Section 171-43, HRS, includes any war veteran organization, whether or not certified to be tax exempt by the IRS; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2143, H.D. 1, and be referred to the Committee on Human Services.

Signed by all members of the Committee except Representative Kanofo.

SCRep. 324 Labor and Public Employment on H.B. No. 1996

The purpose of this bill is to ensure that the Occupational Safety and Health Training and Assistance Fund (Fund) is providing the necessary education to help reduce accident rates by:

- (1) Clarifying the amount of moneys going into the Fund each year;
- (2) Increasing the amount of moneys going into the Fund each year from \$200,000 to \$500,000; and
- (3) Permitting a longer period of time to assess the effectiveness of the Fund.

Testimony supporting the intent of this measure was submitted by the Department of Labor and Industrial Relations, the National Federation of Independent Business, the Hawaii Nurses' Association, the Chamber of Commerce of Hawaii, the ILWU Local 42, and the Hawaii Business League.

Upon further consideration, your Committee has amended this measure by making technical, nonsubstantive amendments to this measure, including amending the effective date so that the section appropriating moneys from the Fund takes effect July 1, 1995.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1996, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1996, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 325 Labor and Public Employment on H.B. No. 1997

The purpose of this bill is to provide enforcement procedures and remedies needed to enforce Hawaii's Family Leave Law.

Your Committee finds that this measure is necessary to ensure that Hawaii's Family Leave Law conforms with the provisions of the federal Family and Medical Leave Act of 1993. In addition, this measure enhances the administration of the Family Leave Law and provides appropriate remedies necessary to protect the rights of employees.

Testimony supporting the intent of this measure was submitted by the Department of Labor and Industrial Relations, the Chamber of Commerce of Hawaii, and the ILWU Local 42.

Upon further consideration, your Committee has amended this measure by making technical, nonsubstantive amendments to correct drafting errors and for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1997, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1997, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 326 Labor and Public Employment on H.B. No. 1998

The purpose of this bill is to require written, effective safety and health programs for state construction projects in excess of \$15,000.

Your Committee finds that this measure will increase awareness by contractors, subcontractors, and employees of potential hazards in the workplace and foster safer working conditions. This measure will reduce costs in the long run to employers and businesses, while providing protection to workers.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations, the Hawaii Business League, and the Building Industry Association of Hawaii.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1998 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 327 Labor and Public Employment on H.B. No. 2089

The purpose of this bill is to require that any rate credit or reimbursement to the Hawaii Public Employees' Health Fund from a carrier or self-insurance plan be used to:

- (1) Finance the active employees' and public employers' contributions for that respective benefit plan if the moneys are returned from a plan for active employees; and
- (2) Reimburse the State or respective county general fund if the moneys are returned from a plan covering retirees or other beneficiaries.

Testimony was received from the Hawaii Public Employees Health Fund and the State Department of Budget and Finance.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2089 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 328 Health on H.B. No. 1980

The purpose of this bill is to establish a forensic examination program in the Department of Health (DOH). The bill requires fees to cover the costs of the program.

Testifying in support of this bill, DOH stated that the Department of Commerce and Consumer Affairs (DCCA) was initially asked to administer this certification process. However, DCCA declined, citing a lack of resources and expertise in this area. Therefore the bill calls for DOH as the next most appropriate agency to administer the program.

Your Committee underscores the need for consistency in the organizational structure of state government. DCCA is the agency that contains the great majority of the functions of licensing and certifying the various professions and occupations. Therefore, the certified forensic examination program would more properly be housed in DCCA.

No DCCA representative was present at the hearing, so its rationale for rejecting responsibility for this program was not presented. If funding is the issue, the bill provides for fees to cover costs. If expertise is the issue, it could be provided with DOH consultation.

In the absence of support from DCCA to house the program, the program should be administered by DOH. However, your Committee emphasizes that efforts should be made to eventually transfer this program to DCCA.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1980 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Stegmaier.

SCRep. 329 Labor and Public Employment on H.B. No. 2159

The purpose of this measure is to provide equitable treatment for executive appointees throughout the State and counties.

Specifically, this bill will extend Class A membership in the Employees' Retirement System (ERS), currently provided to State department heads and executive officers and their deputies and assistants, to:

- (1) County directors, deputy directors, managing directors, deputy managing directors, and other agency or department heads appointed by the mayors of the counties;
- (2) The administrative and deputy directors of courts; and
- (3) The administrative director of the state in the Governor's office.

The Judiciary and the Conference of Personnel Directors testified in favor of this measure. The Administrator of the ERS also presented testimony.

Your Committee has amended the bill by making a minor amendment to enable department heads who may be appointed by boards or commissions to become Class A members of the ERS.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2159, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Alcon.

SCRep. 330 Labor and Public Employment on H.B. No. 657

The purpose of this bill is to require spousal consent to any retirement benefit option selected by a member of the Employees' Retirement System (ERS).

Testimony was submitted by the Employees' Retirement System and concerned citizens.

Because there is no spousal consent requirement, there have been cases in which spouses or widows discover too late that because the retired member did not select a joint survivor's retirement option, the spouse or widow receives nothing of the deceased member's pension. As a result, it is not surprising that the issue of spousal consent has been a problem that has been facing retirement system administrators throughout the nation. Currently, twenty-six states require some form of spousal consent.

Based on the recommendations of the Employees' Retirement System, your Committee has amended this bill by:

- (1) Providing that the burden of securing the spousal consent is on the member of the ERS and not the staff of the ERS;
- (2) Amending the effective date to July 1, 1996, to allow the ERS time to design the necessary forms and to inform the membership of the ERS of the new requirements; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 657, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 657, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 331 Labor and Public Employment on H.B. No. 1254

The purpose of this bill is to transfer the functions and authority exercised by the Office of Collective Bargaining to the Department of Human Resources Development.

Your Committee finds that by merging the authority and functions of the Office of Collective Bargaining with the Department of Human Resources Development, this measure would streamline the executive branch by eliminating potential duplication and maximizing the talents and capabilities of the existing work force.

The Office of Collective Bargaining and the Department of Human Resources Development submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1254, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 332 Labor and Public Employment on H.B. No. 1999

The purpose of this bill is to authorize the Director of Labor and Industrial Relations to allow qualified private sector inspectors to perform safety inspections of elevators and related equipment.

Testifying in support of the bill, the Department of Labor and Industrial Relations explained that current law allows only inspectors employed by the State to perform these required inspections. The growth in the number of elevators and the continuing shortfall in state revenues have resulted in an inspection backlog. This bill would allow government to "reinvent" the way it accomplishes its mission and objectives.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1999 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 333 Higher Education and the Arts on H.B. No. 1542

The purpose of this bill is to appropriate funds for the University of Hawaii's Center for Labor Education and Research's publication and broadcast of the history of the 1946 sugar strike.

The University of Hawaii College of Continuing Education and Community Services submitted testimony supporting the intent of H.B. 1542 provided that it not replace any budget priorities of the University of Hawaii Board of Regents. Testimony in support of the measure was also submitted by the Friends of Waipahu Cultural Garden Park; the Labor Advisory Council; the International Longshoremen's and Warehousemen's Union (ILWU) Local 142; the Associate Executive Director of the University of Hawaii Professional Assembly; and a number of concerned citizens.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1542 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara, Santiago, Shon, Takumi and Yonamine.

SCRep. 334 Higher Education and the Arts on H.B. No. 1543

The purpose of this bill is to specify the composition of the staff of the center for Labor Education and Research of the University of Hawaii and to allow the director to grant printing and stationery contracts to only contractors whose employees are represented by a union.

The University of Hawaii College of Continuing Education and Community Services submitted testimony supporting the intent of H.B. 1542 provided that it not replace any budget priorities of the University of Hawaii Board of Regents. Testimony in support of the measure was also submitted by the Labor Advisory Council; the International Longshoremen's and Warehousemen's Union (ILWU) Local 142; the Associate Executive Director of the University of Hawaii Professional Assembly; and a number of concerned citizens.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1543 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara, Santiago, Shon, Takumi and Yonamine.

SCRep. 335 Human Services on H.B. No. 686

The purpose of this bill is to establish a trust account exempt from inclusion in the calculation for AFDC eligibility to encourage AFDC recipients to start businesses, pay for education and buy homes.

Testimony from the Legal Aid Society of Hawaii was received in support of this measure. The Department of Human Services (DHS) as well as the Committee on Welfare Concerns support the intent of this bill. However, DHS is unable to support the bill at this time as it currently does not possess the expertise, capacity or the resources to take on the responsibility of administrative oversight of a trust fund requirement or a trustee.

It is noted by your Committee that a concern of DHS was that trust accounts which exceed \$1,000 are not allowed under the current federal law as it relates to Aid to Families with Dependent Children. Such accounts would violate the asset limitations as prescribed by federal regulations and, to be valid, must be approved by way of the waiver process.

It is also noted by your Committee that California, Virginia, Oregon and Pennsylvania have already established restricted accounts in order to help the poor attain self-sufficiency by obtaining the necessary Section 1115 Waiver.

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

- (1) Insuring that the entire balance of the trust account, including interest income, does not exceed \$7,500;
- (2) Additionally disregarding all amounts less than \$100 deposited monthly into the trust account where the amounts constitute earned income otherwise available to the assistance unit; and
- (3) Requiring the director of DHS to seek the necessary Section 1115 Waiver to implement this Act.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 686, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 336 Tourism on H.B. No. 578

The purpose of this bill is to amend Chapter 201, Part VII, Hawaii Revised Statutes to require that state agencies first consult with the Office of Tourism when contracting for tourism-related research, and require that preference for research projects be given to the Hawaii Visitors Bureau and the University of Hawaii School of Travel Industry Management.

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

Your Committee finds that coordination of research projects will help to eliminate duplication and provide greater cost-efficiency in conducting research. An excellent relationship exists among the department, UH TIM school and the HVB. In addition, as a land grant college, the University of Hawaii continues its mission of serving the economic development needs of the state by performing research. As the original source of most of the raw data normally used by private consultants to fulfill tourism research contracts, the HVB and UH TIM school stand in the best position to provide finished studies at minimal cost to state agencies.

Your Committee revised the bill by:

- (1) Changing the provision requiring consultation with the Office of Tourism to require consultation with the Department of Business, Economic Development, and Tourism, in order to utilize the other research resources of the department;
- (2) Making technical, non-substantive changes for the purposes of style and clarity.

In specifying that state agencies consult with DBEDT for tourism research contract provisions, your Committee intends that this apply to contracts for money.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 578, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Lee.

SCRep. 337 Tourism on H.B. No. 580

The purpose of this bill is to require that all general fund appropriations for tourism marketing by the Hawaii Visitors Bureau be used exclusively for tourism advertising, marketing and promotion, and not for other purposes, such as staff and office space.

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

Your Committee finds that exclusive dedication of public funds for tourism promotion and marketing by the Hawaii Visitors Bureau would greatly increase accountability for these funds, and is in accord with the internal restructuring of the bureau. To soften the transition to the new funding requirement and prevent a shortfall of about \$500,000 for administrative expenses, your Committee finds that a more gradual process would be less disruptive to HVB operations, to which both DBEDT and HVB stated their agreement.

Your Committee revised the bill by:

- (1) Listing the allowed uses as tourism advertising, marketing, public relations and communications, sales promotion, direct/response marketing, market research, and special projects/provisos;
- (2) Providing that prohibited uses include accounting, human resources, mailroom, administrative secretary and membership department staff positions, the lease or rent of accounting, human resources, mailroom, administrative secretary and membership department office space, and other administrative expenses;
- (3) Providing that the new restrictions on uses take effect on July 1, 1997
- (4) Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill; and

- (5) Making technical, non-substantive changes for the purposes of style and clarity.

Although the new guidelines for division of funding will take effect in 1997, the HVB has already begun internal reorganization measures in this direction, and all parties, HVB, DBEDT and the legislature, agree on the need to maintain public confidence in its visitor marketing contractor and assure prudent expenditure of public funds.

The intention of your Committee is for the Department of Business, Economic Development, and Tourism to immediately require the HVB, through the promotion contract, to implement the division of spending this year, with private funds covering administrative and other non-promotion/marketing expenses, to the extent possible, and state funds covering all promotion and marketing activity and making up for shortfalls in private funds.

By making appropriate contract provisions, DBEDT will oversee the process of phasing in the division of spending of HVB funds in time for the 1997 beginning date of the statutory requirement.

Your Committee intends that the allowed uses include island chapter and regional office expenses, MCI and main office marketing support, but not the salaries of the President or the Vice President for Marketing. It is also the intent of the Committee that, for uses that are not clearly marketing/promotion, for which state funds may be used, or administrative, for which state funds may not be used, the Department of Business, Economic Development, and Tourism shall determine whether such use shall be permitted.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 580, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 580, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 338 Tourism on H.B. No. 1237

The purpose of this bill is to appropriate funds for the operations of the Convention Center Authority.

Your Committee received testimony in support of this bill from the Convention Center Authority, the Hawaii Hotel Association, and the Chamber of Commerce of Hawaii.

Your Committee finds that most conventions select locations several years ahead of the event. Marketing of the convention center under development must begin immediately in order to convince the international convention market of the commitment of the state to the project and to ensure that the center does not stand idle during the crucial early months after its opening. Members of the visitor industry identified this issue as the top priority in the 1993 statewide tourism congress.

Your Committee revised the bill by:

- (1) Adding appropriations for promotion and marketing of the Hawaii convention center for fiscal years 1995 to 1996 and 1996 to 1997;
- (2) Setting all appropriation amounts to \$1 for the purpose of continuing discussion of the bill; and
- (3) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1237, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Lee.

SCRep. 339 Tourism on H.B. No. 2123

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

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism, the Hawaii Visitors Bureau, Hawaiian Airlines, and Bride's Magazine.

Your Committee finds that air carriers form an important part of the tourism industry, and that the air routes between Hawaii and North America have the lowest yields per seat-mile, at or below the break-even point. These carriers face heavy financial pressure to reduce their level of service to Hawaii.

Cooperative promotions with airlines, hopefully, will stimulate sufficient additional demand for air travel to Hawaii to result in increased yield and seat capacity.

Your Committee revised the bill by:

- (1) Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill; and
- (2) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2123, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2123, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee and Marumoto.

SCRep. 340 Hawaiian Affairs and Housing on H.B. No. 2152

The purpose of this bill is to allow residents of Lanai and Niihau to run for Office of Hawaiian Affairs island representative seats for Molokai and Kauai, respectively.

This measure attempts to address the issue that a person from the island of Lanai or Niihau cannot run for a trustee position in the Office of Hawaiian Affairs (Kaho'ohalahala v. Cayetano, S.P. No. 92-0382, First Cir.). The current constitutional and statutory language requires that a candidate running for an island representative seat must be a resident of the island of Hawaii, Maui, Molokai, Kauai, or Oahu. The island representative of Molokai also represents Lanai. The island representative for Kauai also represents Niihau. This bill changes the language by stipulating that a person representing the Kauai seat may be a resident of Kauai or Niihau. It also proposes that the person representing the Molokai seat may be a resident of Molokai or Lanai.

Testimony was received in support of the bill from the Office of Hawaiian Affairs (OHA), the State Council of Hawaiian Homestead Associations, the Association of Hawaiian Civic Clubs, and Na Koa Ikaika.

However, your Committee also received testimony from the Association of Clerks and Election Officers and a resident of the island of Lanai which goes farther by proposing that each island have its own representative.

Your Committee recognizes that such a change in the membership of the OHA trustees would require a corresponding amendment to the Constitution of the State of Hawaii. It also realizes that requiring each island to have a trustee who is a resident of that island may impose hardships on those islands whose populations may be limited or whose access to and from the island may be restricted.

Upon careful consideration, your Committee was in agreement with the intent and content of this bill and pass it unamended.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2152 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kawakami and Stegmaier.

SCRep. 341 Finance on H.B. No. 1208

The purpose of this bill, as received by your Committee, is to allow the Director of Finance to accept securities in mutual funds as collateral to protect deposits of public funds with state financial institutions; provided that the mutual fund portfolio is limited to bonds, notes, bills, or certificates of indebtedness of the United States or its agencies for which the payment of interest and principal is a direct obligation of the United States.

The Department of Budget and Finance submitted testimony on this measure. An individual representing an institutional investment manager testified in support of this measure.

Your Committee has amended this bill by deleting the language and adding the contents of H.B. No. 1886, which was also heard by your Committee. H.B. No. 1886 authorizes the Director of Finance to invest moneys of the State in notes or bonds of selected federal government sponsored agencies and in securities of mutual funds with portfolios limited to U.S. government securities with the highest ratings.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1208, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, Kanoho and Ward.

SCRep. 342 Finance on H.B. No. 1827

The purpose of this bill is to ensure that Hawaii is able to meet its commitment to the General Agreement of Tariffs and Trade Government Procurement Code (GATT Code) by exempting procurement by the comptroller under the Hawaii Public Procurement Code when there is a conflict with obligations covered by the GATT Code.

The Department of Accounting and General Services testified in favor of this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1827, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1827, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 343 Finance on H.B. No. 1835

The purpose of this bill is to exempt the State Foundation on Culture and the Arts (SFCA) from the Hawaii Public Procurement Code to enable SFCA to effectively manage and implement its grant funding program and procure and commission new works of art for display in state buildings.

The Department of Accounting and General Services testified in favor of this measure.

Your Committee has made technical, nonsubstantive amendments for purposes of consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1835, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1835, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 344 Finance on H.B. No. 1984

The purpose of this measure is to provide emergency funding for the payment programs in the Family and Adult Services Division.

Your Committee has received a message from the Governor, dated February 6, 1995:

- (1) Stating that additional funding is needed in the Payment Programs; and
- (2) Requesting the Legislature for immediate passage of this bill, to provide financial assistance to needy individuals and families.

The Department of Human Services testified in support of this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1984, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1984, H.D. 1.

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

SCRep. 345 Finance on H.B. No. 1992

The purpose of this bill is to provide emergency funding to prevent the reduction or discontinuance of health and health-related services to Medicaid recipients who are aged, blind, or disabled.

Your Committee has received a message from the Governor, dated February 6, 1995:

- (1) Stating that additional funds are needed for Health Care Payments; and
- (2) Requesting immediate passage of this bill to ensure continuation of assistance for the aged, blind, and disabled.

The Department of Human Services and the Healthcare Association of Hawaii testified in support of this measure.

Your Committee has made technical, nonsubstantive amendments to this bill for clarity and to conform with statutory drafting style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1992, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1992, H.D. 1.

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

SCRep. 346 Judiciary on H.B. No. 114

The purpose of this bill is to provide for open hearings, for the employment of one additional investigator and a full-time executive director for the Campaign Spending Commission.

Your Committee received testimony in support of this bill from the Campaign Spending Commission, the Democratic Party of Hawaii, Oahu County Democratic Party Legislative Committee, and Common Cause Hawaii.

The Ninth Circuit Court of Appeals (cert. denied by the U.S. Supreme Court), has held that the confidentiality provisions of the campaign spending law are unconstitutional. Furthermore, the public demands open, honest and accountable government.

Your Committee amended the bill by

- (1) Deleting the provision for appropriations for a full-time executive director because funding for that position has already been provided;
- (2) Inserting \$70,000 for appropriations in Section 3 for investigative staffing;
- (3) Removing all references to confidentiality in the current law.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 114, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 114, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, McMurdo, Menor and Swain.

SCRep. 347 Judiciary on H.B. No. 929

The purpose of this bill is to transfer the Hawaii State Commission on the Status of Women (Commission) from the Department of Human Services to the Office of the Lieutenant Governor.

Testimony was received by the Hawaii Civil Rights Commission, the Office of Children and Youth and the Domestic Violence Legal Hotline in support of this measure. The Office of the Lieutenant Governor, the Hawaii State Commission on the Status of Women, Hawaii Lawyer's Care, Kapiolani Health Care System and Child & Family Service testified in support of its intent.

Your Committee finds that the administrative transfer of the Commission from the Department of Human Services to the Office of the Lieutenant Governor reduces the strain and burden on the Department of Human Services and by housing the Commission in the Lieutenant Governor's Office, demonstrates the State's commitment to equality for all of its citizens.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 929, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 929, H.D.2.

Signed by all members of the Committee except Representatives McMurdo, Menor and Yoshinaga.

SCRep. 348 Judiciary on H.B. No. 973

The purpose of this bill is to establish a three year Ho'oponopono demonstration project administered by the Judiciary with referrals from the Family Court of the First Circuit and to authorize the use of Ho'oponopono by the Family Court. Ho'oponopono is a traditional alternative dispute resolution technique which can be a cost-effective means of alleviating some of the heavy caseloads currently experienced by the courts in this State. The sum of \$143,000 is appropriated to implement this demonstration project for one fiscal year.

Your Committee received testimony in support of this bill from the State of Hawaii Judiciary and the State of Hawaii Office of Hawaiian Affairs.

Your Committee finds that Ho'oponopono would alleviate court congestion while remaining an effective approach in resolving child and custody disputes as well as other Family Court matters. Your Committee furthermore finds that Ho'oponopono would be better utilized by allowing its access to all residents of the State of Hawaii and by giving the Family Court discretion to use Ho'oponopono in all cases that it has deemed appropriate.

Your Committee amended the bill by:

- (1) Deleting all references to Hawaiian ancestry;
- (2) Adding that Ho'oponoponos may be used in other cases deemed appropriate by the Family Court.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 973 H.D.1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 973, H.D.2.

Signed by all members of the Committee except Representatives Case, Menor and Thielen.

SCRep. 349 Judiciary and Consumer Protection and Commerce on H.B. No. 1859

The purpose of this bill is to authorize the Attorney General, the Securities Enforcement Branch of the Department of Commerce and Consumer Affairs, and the Office of Consumer Protection to retain private sector attorneys, by contract, including contingency fee arrangements, to collect monies owed to the State.

The Department of the Attorney General of the State of Hawaii and the Office of Consumer Protection testified in support of this measure. The Department of Commerce and Consumer Affairs testified in support of its intent.

Your Committees find that allowing private attorneys (as special deputies) to recover state monies on a contract or contingency fee basis would reduce costs as well as free up valuable resources of these departments allowing them to pursue other matters previously ignored because of the lack of in-house resources.

Your Committees have made technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1859, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1859, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, McMurdo and Meyer.

SCRep. 350 Judiciary and Consumer Protection and Commerce on H.B. No. 1869

The purpose of this bill is to transfer the responsibility for, including the authority to appoint, administer, and discipline notaries public from the Department of the Attorney General to the Department of Commerce & Consumer Affairs ("DCCA")

Favorable testimony was received from the Department of the Attorney General. Hawaii is the only State in the nation to have the jurisdiction over notaries public vested in the Attorney General's office. The Attorney General's office has no other licensing function other than for notaries public. The DCCA, because of its present administration of other licensed entities which are similar in nature, would be a more efficient choice for placement of the notaries public, and such a transfer would be a more efficient use of government funds.

Your Committees find that transferring the jurisdiction of the notaries public from the DCCA to the Attorney General's office would be a logical and appropriate measure.

The Attorney General also testified that language should be added to the bill, providing the Director of DCCA the statutory authority to adjust notary fees, since the DCCA already has the authority to adjust fees by rule.

Your Committees amended the bill by giving the Director authority to adjust notary fees.

As affirmed by the records of votes of the members of your Committees on Judiciary and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1869, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1869, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Garcia, Hamakawa, Herkes, McMurdo, Saiki, Kawananaoka and Meyer.

SCRep. 351 Higher Education and the Arts on H.B. No. 2137

The purpose of this bill is to establish the Waikiki Aquarium and Marine Research Center as an educational and research institution administratively attached to the University of Hawaii.

Your Committee received testimony from the Director of the Waikiki Aquarium School of Ocean and Earth Science and Technology, who requested that H.B. No. 2137 be studied to know whether existing law might cover its subject matter.

Your Committee also received testimony from the Friends of the Waikiki Aquarium, who requested that the bill be amended to remedy certain problems of administration and timing.

These concerns are important because the present management of the Waikiki Aquarium expires on June 30, 1995. Unless the matter is addressed legislatively, the Aquarium may have to operate thereafter with only 40% of its staff. Also, the Waikiki Aquarium is a unique educational institution with needs unlike those of other agencies and programs.

Your Committee has amended the bill for the purpose of extending the management of the Waikiki Aquarium by the Research Corporation of the University of Hawaii until December 31, 1995, or until a satisfactory agreement is reached among the Friends of the Waikiki Aquarium, the Waikiki Aquarium management, and the University of Hawaii, whichever comes first.

This amendment is set forth in the new Section 3 of the bill. Former Sections 3, 4, 5, and 6 have been renumbered accordingly.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2137, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2137, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Yonamine and Anderson.

SCRep. 352 Education on H.B. No. 1020

The purpose of this bill, as received by your Committee, is to require that appropriations for capital improvements for public schools be made in phases, in amounts reasonably expected to be expended within two calendar years from the date the expenditure is authorized, and for actual construction that is reasonably expected to be completed within two years.

The Department of Education submitted comments on this measure. The Department of Accounting and General Services submitted testimony in opposition to this measure.

Upon careful consideration, your Committee has amended this bill by deleting the substance and inserting language to restructure the school construction program to provide flexibility and efficiency to the Department of Accounting and General Services regarding the expenditure of funds from the State Educational Facilities Special Fund by:

- (1) Allowing the Department of Education to initiate the next viable project or projects from a second list of projects approved by the Board of Education and authorized by the Legislature in the event of a delay; and
- (2) Authorizing the Department of Accounting and General Services to establish project manager positions dedicated to the school construction program.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1020, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1020, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee, Pepper, Shon, Takumi and Yonamine.

SCRep. 353 Education on H.B. No. 1428

The purpose of this bill is to appropriate funds for registrar positions for the Kauai, Kona, and Maui Community Schools for Adults.

The Department of Education submitted testimony in support of the intent of the bill and welcomed legislative support and funding if it is in addition to the budget priorities of the Board of Education. The Hawaii Adult and Community Education Advisory Council testified that support for the bill would enable the respective schools to manage their increasing student populations.

Your Committee finds that adult and community education has grown faster than regular education. Enrollment has increased 72 percent in five years, from 80,568 in school year 1987-88 to more than 111,000 students in school year 1992-93.

The burden of increasing enrollment falls most heavily on the administrative staff, which includes registrars and clerical personnel. However, the Kauai, Kona, and Maui Community Schools for Adults lack registrars. The intent of this bill is to provide these schools with the administrative support needed.

Upon further consideration, your Committee has amended the bill by changing the appropriation amount to \$1 to facilitate the continued discussion of the bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1428, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1428, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Shon, Takumi and Yonamine.

SCRep. 354 Education on H.B. No. 1468

The purpose of this bill is to continue to support teacher education and graduate level outreach programs on Kauai.

Your Committee received testimony in support of the bill from the Superintendent of Education, the Dean of the College of Education at the University of Hawaii, and a student affected by the program at Kauai Community College. All three stressed the importance of this outreach program to a geographical area of the state which experiences teacher shortages each year.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1468 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Shon, Takumi and Yonamine.

SCRep. 355 Education on H.B. No. 1519

The purpose of this bill is to:

- (1) Convert to permanent status fifteen full-time equivalent, temporary athletic trainer positions, in the Department of Education (DOE);
- (2) Grandfather the incumbents; and
- (3) Require that athletic trainers in the DOE possess certification by the National Athletic Trainers Association, Board of Certification.

Barton P. Buxton, the DOE consultant on the Athletic Training Project, testified that qualified athletic trainers are a cost effective means for the public school system to deal with injuries to student athletes. Your Committee also received testimony in support of the bill from the Principals of McKinley High School and Nanakuli High and Intermediate School, a concerned parent, and a Pep Squad Coach. The DOE submitted testimony in support of the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1519 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Shon, Takumi and Yonamine.

SCRep. 356 Education on H.B. No. 1580

The purpose of this bill is to appropriate funds to support the Senior Citizen Community and Adult Education Program.

The Department of Education supported the intent of the bill and expressed that it would welcome legislative support for the bill if funding is in addition to the priorities of the Board of Education. The Adult and Community Education Advisory Council supported the bill.

The elderly represent the fastest growing population segment in Hawaii and the nation. The population of seniors is expected to increase from 13 percent of the total population to 22 percent by 2030.

Education is important for seniors for many reasons. For example, many seniors seek lifelong learning to upgrade their skills to keep up with our changing society so that they may continue to serve as models for their families and continue to work with their children and grandchildren to support their learning. Others need basic education because they are entering second careers to support their families. Still others are immigrants or refugees who are eager to become citizens and learn the responsibilities and obligations of citizenship and to master English.

Your Committee has amended the bill by inserting the sum of \$1 as the appropriation amount to facilitate the continued discussion of the bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1580, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1580, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Shon, Takumi and Yonamine.

SCRep. 357 Education on H.B. No. 2212

The purpose of this bill is to provide expedient and responsible measures to close the gap between needs and available funds to address the state's school facilities problems.

The Department of Education and the Department of Accounting and General Services submitted testimony on this measure.

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

- (1) Deleting the provisions regarding educational specifications;
- (2) Deleting the provisions regarding school projects budget and design; and
- (3) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2212, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Morihara, Shon, Takumi and Yonamine.

SCRep. 358 Water and Land Use Planning on H.B. No. 131

The purpose of this bill is to exchange certain public lands for privately held lands in order to allow for expansion of Hanalei Elementary School.

The Department of Land and Natural Resources (DLNR), Hanalei Elementary School, the Hanalei Hawaiian Civic Canoe Club, and many concerned members of the Hanalei community supported this measure. The Department of Education (DOE) also strongly supported the intent of this measure. The Office of Hawaiian Affairs (OHA) testified in opposition.

Your Committee finds that Hanalei Elementary School is in need of expansion. It has not had a library and cafeteria since hurricane Iniki, two years ago. Enrollment in the school has grown fifty percent since 1984, and the school is presently located on 3.7 acres of land which is less than the 12 acres authorized by the Education Specifications.

Your Committee finds that the Hanalei and North Shore communities have been united in their efforts to initiate, coordinate, and consummate a land exchange between the State of Hawaii and the Kobayashi family for the expansion of Hanalei School for over 15 years. These communities are comprised of many Hawaiian families who would directly benefit from the expansion of Hanalei School. Your Committee further notes OHA's opposition to the bill, which focused on the exchange process of ceded lands rather than the merits or demerits of expansion at Hanalei School.

Your Committee believes that the exchange of ceded lands in this situation directly benefits Hawaiian families in Hanalei and thus maintains the integrity of OHA's position that native Hawaiians are the beneficiaries of such ceded lands. Therefore, your Committee finds that this is a situation where both parties will benefit.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 131 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

SCRep. 359 Water and Land Use Planning on H.B. No. 488

The purpose of this bill is to deter interference with public access to beaches, shores, parks, trails, or other public recreational areas by making such actions a petty misdemeanor.

The Sierra Club, Hawaii Chapter testified in support of this measure. The Department of Land and Natural Resources and Hawaii's Thousand Friends supported the intent of this measure. Public Access Shoreline Hawaii and a concerned citizen also provided testimony on this measure.

The Department of Land and Natural Resources, The Sierra Club and Hawaii's Thousand Friends testified that it would be more practical to impose a civil fine on those encroaching on public land, rather than making a violation a petty misdemeanor.

Your Committee finds that for purposes of consistency, the remedy to any violation should be parallel to Section 171-6(12), therefore this bill is being amended to incorporate a similar penalty provision.

Your Committee amended this bill by:

- (1) Replacing the provisions in Subsection (b), that make the action a petty misdemeanor, with language authorizing the Board of Land and Natural Resources to impose a civil fine; and
- (2) Clarifying this new provision further, by inserting a definition of "board."

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 488, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 488, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 360 Water and Land Use Planning on H.B. No. 565

The purpose of this bill is to designate Waialua on Oahu as a new community development district under the auspices of the Hawaii Community Development Authority (HCDA).

Your Committee heard testimony from representatives of HCDA, the Office of State Planning, the Department of Health, the Departments of Land Utilization and Planning for the City and County of Honolulu, and the Catholic Immigration Center.

After discussion, your Committee decided to amend the bill by deleting the specific funding amounts and to refer the bill to the Finance Committee as a vehicle for further consideration.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 565, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 565, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, McMurdo and Yoshinaga.

SCRep. 361 Water and Land Use Planning on H.B. No. 769

The purpose of this bill is to provide for a land agent for the West Hawaii area.

Testimony received from the Department of Land and Natural Resources (DLNR) and an attorney from the area evinced a definite need for a land agent for the West Hawaii Region. The expected development of the region as a major resort destination in the State creates and will exacerbate land use conflicts, social impacts, and infrastructural demands. Your Committee believes that the addition of a land agent to the region would mitigate such stresses and would: protect the physical resources and the natural and cultural heritages of the region, retain the traditional life-styles therein, and optimize the use of State-owned land compatible and consistent with development plans.

Your Committee is further encouraged by the support of the Administration which, according to DLNR's testimony, recognizes and has included as an item in its proposed budget the establishment of a land agent for the West Hawaii area in its Division of Land Management.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 769 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

SCRep. 362 Water and Land Use Planning on H.B. No. 1463

The purpose of this bill is to add a new section to Chapter 183D, Hawaii Revised Statutes, (HRS), prohibiting the harassment of persons lawfully engaged in hunting game birds or animals, and to amend Section 183D-5, HRS, to provide penalties for the harassment of hunters.

Your Committee received testimony in support of this bill from representatives of the Department of Land and Natural Resources and the Wildlife Conservation Association, a member of the Hawaii Chapter of Safari Club International and the Hawaii Rifle Association, and a private citizen.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1463 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kanoho, McMurdo and Yoshinaga.

SCRep. 363 Water and Land Use Planning on H.B. No. 2018

The purpose of this bill is to repeal the Aina Hoomalu Special Fund, with the state parks income being instead deposited into the general fund, while retaining the concept of the Aina Hoomalu State Parks Program. The Program seeks to develop interpretive programs to enhance the visitor experience and understanding at our more notable state parks.

Your Committee received testimony in favor of the Program, including retention of the Fund, from the Hawaii Nature Center, the Kokee Museum, and several individuals. The Department of Land and Natural Resources testified that this administration bill would be abolishing the special fund but that basic interpretive services would continue with a related administration proposal to include interpretive staff in the operating budget for LNR 806 Park Development and Operations.

After discussion, your Committee finds that the Aina Hoomalu State Parks Program has merit and should continue as a general funded program and the special fund should be repealed to allow the issue of allocating the special fund revenues to be considered by the Finance Committee.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2018 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 364 Water and Land Use Planning on H.B. No. 752

The purpose of this bill is to ensure that Hawaiian homestead beneficiaries and applicants be consulted on current and future water reserves and development which may affect them.

Your Committee received testimony in support of this bill from the Office of Hawaiian Affairs (OHA), the Commission on Water Resource Management (CWRM), the Association of Hawaiian Civic Clubs, and the Department of Hawaiian Home Lands.

Your Committee adopted the recommendation of the CWRM by amending the notice requirement for CWRM to read as follows:

"The Commission on Water Resource Management shall publish any request for water reservation or other pending decisions which may affect beneficiary water rights delineated in this section in its periodic bulletin and shall submit for publication any request in the Office of Hawaiian Affairs newspaper."

The purpose of the amendment is to eliminate redundant notice in the Department of Land and Natural Resources periodic bulletin and to recognize that CWRM can merely submit a request for publication in the OHA newspaper.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 752, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 752, H.D. 2.

Signed by all members of the Committee except Representatives Kanoho, McMurdo and Yoshinaga.

SCRep. 365 Water and Land Use Planning on H.B. No. 1563

The purpose of this bill is to ensure that decisions by a State agency that permit or approve any development activity consider the impact that the activity may have on the specific rights of native Hawaiians. This bill would require the preparation of a native Hawaiian cultural impact statement as part of the decision-making process.

The following organizations testified in support of this bill: the Association of Hawaiian Civic Clubs; the District Chair for South Kona of Ka Lahui Hawaii; Protect Kohanaiki Ohana; Ahuena Heiau, Inc.; the Kona Hawaiian Civic Club; and the Hawaii Island District Council of the Association of Hawaiian Civic Clubs. The Department of Land and Natural Resources supported this bill with certain amendments. The Land Use Research Foundation of Hawaii and the Chamber of Commerce of Hawaii opposed this measure.

Your Committee is keenly aware of the need to protect the specific rights of native Hawaiians and their culture and traditions. At the same time, your Committee also recognizes that another land use disclosure statement may complicate Hawaii's already involved land use approval process. With this in mind, the intent of this bill might be accomplished by the provisions of Section 3. These provisions amend Chapter 343, Hawaii Revised Statutes, by requiring that any environmental assessment or environmental impact statement must include an assessment of or statement of the native Hawaiian cultural impact.

Accordingly, your Committee has amended this bill by deleting all provisions except for Section 3. Additional language has been included that defines "native Hawaiian cultural impact."

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1563, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1563, H.D. 2.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 366 Water and Land Use Planning on H.B. No. 1789

The purpose of this bill is to ensure that the agreement reached in the bankruptcy court, "In re: Hamakua Sugar Company," concerning the maintenance of the lower Hamakua ditch will be honored by the parties to the agreement.

Your Committee received testimony in support of this bill from the Hamakua/North Hilo Agricultural Cooperative. The Department of Agriculture submitted testimony in support of the intent of the bill. Testimony from a representative of the Office of Hawaiian Affairs (OHA) supported the bill, with amendments to make the bill consistent with the State Water Code. Kamehameha Schools Bishop Estate submitted testimony in opposition to the bill.

Your Committee adopted the recommendation of the OHA by amending Section 2 of the bill by changing the phrase "selling water" to "delivering water and charging transmission fees".

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1789, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1789, H.D. 2.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 367 Labor and Public Employment on H.B. No. 935

The purpose of this bill is to offer retirement benefits to Liquor Commission inspectors and investigators by:

- (1) Providing the same retirement benefits as firefighters, police officers, corrections officers, investigators of the Department of the Prosecuting Attorney, investigators of the Department of the Attorney General, narcotics enforcement investigators, water safety officers, and public safety investigations staff investigators; and
- (2) Giving those members who are in the noncontributory plan the option to become members of the contributory retirement plan.

Your Committee finds that Liquor Commission inspectors and investigators endure the same types of hardships, dangers, and stresses as those experienced by all of the currently approved law enforcement officers because of their work schedules, duties, and responsibilities. Since the duties and responsibilities of Liquor Commission inspectors and investigators are on par with approved law enforcement agencies, your Committee finds that they should receive equal treatment with regard to retirement benefits.

The Department of Finance of the City and County of Honolulu, the Department of Liquor Control of the County of Maui, the Department of Liquor Control of the County of Kauai, and the Department of Liquor Control of the County of Hawaii submitted testimony in support of this bill. The Employees' Retirement System submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 935 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 368 Education on H.B. No. 1323

The purpose of this bill is to expedite the construction, renovation, and modernization of school facilities through lease-purchase and other public-private endeavors.

The Department of Education submitted testimony in strong support of this measure.

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

- (1) Clarifying that the Department of Education may enter into lease-purchase agreements with the concurrence of the Department of Land and Natural Resources; and
- (2) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1323, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee, Shon, Takumi and Yonamine.

SCRep. 369 Education on H.B. No. 1473

The purpose of this bill is to appropriate \$50,000, to the Department of Education for fiscal year 1995-1996, for the Hawaii High School Athletic Association.

The Department of Education submitted testimony in support of the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1473 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Shon, Takumi and Yonamine.

SCRep. 370 Education on H.B. No. 1903

The purpose of this Act is to facilitate funding, through the issuance of general obligation bonds, to construct, expand, and maintain quality educational facilities for Hawaii's children.

The Department of Budget and Finance submitted testimony in support of this measure. The Department of Education submitted testimony in support of the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1903 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Shon, Takumi and Yonamine.

SCRep. 371 Education on H.B. No. 1581

The purpose of this bill is to amend Section 301-1, Hawaii Revised Statutes, to add clarity and to address the need to develop a statewide facilities plan that considers the educational needs of all students, from preschool to adults; this will provide school facilities for use by the Adult and Community Education Program.

The Hawaii Adult and Community Education Advisory Council and the Department of Education submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1581 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Arakaki, Shon, Takumi and Yonamine.

SCRep. 372 Public Safety and Military Affairs on H.B. No. 80

The purpose of this bill is to require all fire hydrant systems to be maintained in an operative condition and to be inspected and tested annually.

Testimony in support of this measure was received from the County of Hawaii Fire Department and Island Fire Hydrant Service. The City and County of Honolulu Board of Water Supply supported the intent of the bill.

In testimony, it was noted that approximately half of the fire hydrants in the state are on private land and thus are privately maintained. The State and each county are responsible for public fire hydrants under their respective jurisdictions. While the Board of Water Supply of each county maintains county fire hydrants, there is no state agency responsible for the maintenance of state fire hydrants.

Your Committee recognizes a need for regular fire hydrant inspections and maintenance, especially in the vicinity of schools. Your Committee expressed concern that in some instances state schools are on county land and thus the jurisdiction of fire hydrants at some schools may not be clear. It was suggested that an inventory of schools be undertaken to determine which schools are on county land. This suggestion, however, was not incorporated into the amended bill.

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

- (1) Requiring that fire hydrant systems under the jurisdiction of the Department of Education located on state property be maintained to standards as stringent as those recommended by the American Water Works Association and as required by the respective county water supply systems for fire hydrants; and
- (2) Designating the Department of Accounting and General Services as the agency responsible for inspecting and maintaining fire hydrant systems at schools on state land.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 80, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 373 Public Safety and Military Affairs on H.B. No. 1962

The purpose of this bill is to allow the Department of Defense to accept, use, and manage gifts received to enhance the purposes of the Hawaii National Guard Youth Challenge program. The gifts would be used for scholarships for participant graduates, participant morale, welfare and recreation, and community relation activities.

By way of a brief background, the department is a recipient of a federal grant from the National Guard Bureau to operate the Hawaii National Guard Youth Challenge program. This is a federally established program designed to encourage youths "at risk" to work toward the full development of themselves, experience success in school, work and home and to become productive members of society.

This bill will enable the department to accept, use, and manage the gifts and funds from other than those received from the State and federal government to enhance the achievement of the stated purpose of the Hawaii National Guard Youth Challenge program.

Testimony in support of this bill was submitted by the State of Hawaii Department of Defense.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1962 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 374 Health on H.B. No. 1803

The purpose of this bill is to appropriate State funds as a match for federal Medicaid funds. The funding would be for individuals with developmental disabilities who reside at Waimano Training School and Hospital or who reside in the community and who would benefit from a Medicaid waiver program known as the Medicaid Home and Community-Based Services Program (H&CBS).

Your Committee understands that H&CBS has been approved by the Health Care Financing Administration to serve up to 780 individuals. However, for the last two years only 513 individuals have been served by this program. This means that many of the remaining 267 individuals are receiving services in the community funded totally with state funds.

The State Planning Council on Developmental Disabilities submitted testimony that state funds which have been appropriated in the past for developmentally disabled people in budget program HTH 501 (Developmental Disabilities) could have been, but were not, used as a match for federal reimbursements for H&CBS. Your Committee cannot understand why these state moneys were not used to draw down federal funds, and urges that state moneys be used as a match for federal funds whenever practicable.

The bill has been amended to appropriate \$1 for each of the fiscal years of the biennium in order to continue discussion on the bill. In this regard, your Committee urges the Finance Committee to consider all state funds available to use as a match for federal funds, especially appropriations to HTH 501, before determining the amount to be appropriated in this bill. It should be noted that the funds appropriated in this bill are for community-based services rather than institutional care.

The bill has also been amended by:

- (1) Adding a new section 1 to the bill with a statement that the state will receive a fifty per cent match in federal reimbursements for the state match provided;
- (2) Deleting a similar statement in existing section 1; and
- (3) Making other technical, nonsubstantive revisions for purposes of clarity and style.

Although H&CBS was designed to accommodate 780 developmentally disabled persons, services for 1,200 are needed. Efforts have been made to develop a waiver renewal application to allow for this increase. Since the approval of this renewal application will allow the additional federal reimbursements, the Department of Human Services is strongly urged to have that renewal application submitted.

Finally, it should be noted that, although the title of the bill refers to appropriations to Waimano Training School and Hospital, this is the entity that administers H&CBS.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1803, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1803, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 375 Health on H.B. No. 1968

The purpose of this bill is to eliminate the requirement for each woman applicant for a marriage license to be screened for rubella. Instead, the bill requires persons who attend pregnant women, such as medical doctors, to test them for immunity to rubella.

Your Committee finds that rubella may cause birth defects in infants born to women who become infected during their first trimester of pregnancy. Fortunately, rubella is preventable through vaccination.

The approach to the prevention of rubella among infants proposed by this bill is more effective than the current approach. Between 20 and 30 percent of the children born each year are those of unmarried women, who would not be identified as susceptible to rubella by the premarital screening. Prenatal rubella screening, on the other hand, would include virtually all mothers, regardless of marital status. Prenatal screening is now the standard of care as recommended by the American College of Obstetricians and Gynecologists.

Although in support of the bill, the Healthy Mothers, Healthy Babies Coalition of Hawaii testified that approximately 25 percent of women giving birth receive late or no prenatal care, and exposure to rubella in the first trimester has the highest potential for dire consequences for the fetus. Therefore, even with prenatal screening, there may still be a need for prevention education associated with the marriage license.

Upon a suggestion by the Healthy Mothers, Healthy Babies Coalition of Hawaii, your Committee has amended the bill by adding a requirement that the Department of Health:

- (1) Ask every woman applying for a marriage license if she knows whether she is susceptible to rubella, then take actions that are appropriate to the response; and
- (2) Offer her a brochure explaining rubella, the risks to a fetus from contact during pregnancy, and how to seek testing and immunization.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1968, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1968, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Stegmaier and Anderson.

SCRep. 376 Hawaiian Affairs and Housing on H.B. No. 268

The purpose of this bill is to consolidate all state housing functions in a single department governed by a board and headed by a director.

The new department would contain three public body corporate divisions that contain the functions presently administered by the Housing Finance and Development Corporation (HFDC), the Hawaii Community Development Authority, and the Hawaii Housing Authority (HHA). The bill also provides for a transition from the existing system to the new system.

Your Committee would like to note that this bill is one of two alternative proposals that it has approved to consolidate housing functions. H.B. No. 978 proposes to dissolve HFDC and to transfer its functions to HHA.

Your Committee finds that the fragmentation of the state's housing functions among various departments is counterproductive. The integration of these functions in a single department would enable the State to take a more coordinated and effective approach to addressing housing issues.

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

- (1) Reduced the membership of the Board of Housing from eleven to nine by removing the Director of Human Services and the Chairperson of the Hawaiian Homes Commission;
- (2) Placed the Rental Housing Trust Fund in the Department of Housing rather than the Department of Budget and Finance; and
- (3) Deleted an unintentional statutory reference to HFDC in Section 16 of the bill.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 268, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 268, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Stegmaier and Kawanakoa.

SCRep. 377 Hawaiian Affairs and Housing on H.B. No. 1748

The purpose of this bill is to make a technical correction by removing ambiguous language regarding legislative review of appropriations to the Office of Hawaiian Affairs (OHA). The measure proposes to remove a reference to matching special fund appropriations. The OHA has no such special funds. The money received by the OHA for the betterment of the conditions of the native Hawaiian has its origins from the public trust created in Section 5(f) of the Admission Act and codified in Article XII, Section 4 of the Constitution of the State of Hawaii.

Your Committee received testimony from the OHA in support of this bill. The OHA cited references to the 1993 Legislative Auditor's report of the OHA. The report recommends that the trust status of the OHA's revenue funds be recognized. This could be accomplished by properly identifying the funds as trust funds rather than special funds.

Upon consideration of the testimony and the Legislative Auditor's report, your Committee has amended the bill by removing an additional reference to special funds in Section 1 of the bill and replacing it with a more appropriate reference to trust funds.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1748, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1748, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hamakawa.

SCRep. 378 Human Services and Health on H.B. No. 1255

The purpose of this bill is to transfer the Interdepartmental Cluster for Services to Children from the Department of Health to the Governor's Office of Children and Youth (OCY). It further amends the responsibilities of the Cluster System as it currently exists by deleting the State Cluster's responsibility to a) establish local clusters, develop and coordinate service planning for multi-system children for implementation by the local clusters, and c) identify the agency for managing the case at the local level.

Testimony from the Department of Education, the Governor's Office of Children and Youth and the Office of Youth Services was submitted supporting the intent of the bill, but not the transfer of the Interdepartmental Cluster.

Testimony from the Department of Human Services and the Department of Health was submitted unresponsive of this measure. The Department of Human Services also deferred to the comments of the Office of Children and Youth.

It is noted by your Committee that the Governor's Office of Children and Youth, already a member of the State Cluster, has agreed with the State Cluster's request to assume the leadership role within Cluster in advancing policy and system development for the benefit of multi-system youngsters and their families.

It is also noted that testimony received was not supportive of the entire cluster system being transferred to the Governor's Office of Children and Youth from the Department of Health.

Upon further consideration, a compromise has been made between the Department of Health and the Office of Children and Youth. Therefore, your Committees have amended this bill by:

- (1) Transferring the management of the policy and planning environment of the State Cluster from the Department of Health to the Office of Children and Youth;
- (2) Giving the Office of Children and Youth specific policy-related duties for the Cluster;
- (3) Providing OCY with the responsibility of reviewing Cluster cases in order to provide periodic public reports of performance outcomes; and
- (4) Requiring OCY to submit a report on the activities of the Cluster, including outcomes of cases, every two years.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1255, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1255, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Kahikina, Kawakami, Stegmaier and Kawanakoa.

SCRep. 379 Public Safety and Military Affairs and Judiciary on H.B. No. 140

The purpose of this bill is to appropriate funds to:

- (1) Establish a drug court at the state circuit court level;
- (2) Implement a comprehensive schedule of alternatives to incarceration; and
- (3) Provide rehabilitative programs for arrestees and the incarcerated.

Testimony supporting this measure was received from the Department of Public Safety, the Hawaii Paroling Authority, the Judiciary, the State Attorney General, and the Corrections Population Management Commission.

To reduce prison overcrowding, your Committees recognize the need for alternatives to incarceration for prison inmates who do not pose a threat to public safety. Reducing incarceration due to drug related crimes is also recognized as a key element in reducing the State's prison population. To reduce recidivism rates, your Committees find that a variety of rehabilitation programs need to be created and funded, including programs addressing: substance abuse, illiteracy, vocational skills, sex offenders, employment placement, residential mother/infant services, and mental health.

Youth crime prevention is another area under consideration to prevent overpopulation of prisons. A "boot camp" treatment facility which would instill discipline may help young offenders break away from their life of crime. It was suggested that such a facility could be patterned after the National Guard Youth Challenge program.

Upon consideration, your Committees have amended this bill by:

- (1) Increasing the number of social worker positions for the drug court program in 1995-1996 from three to four and in 1996-1997 from two to three;
- (2) Reducing the appropriation for the "boot camp" treatment facility from \$525,000 to \$1 for purposes of continued discussion; and
- (3) Making technical, nonsubstantive, amendments for purposes of clarity, style, and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 140, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 140, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Herkes and Menor.

SCRep. 380 Public Safety and Military Affairs on H.B. No. 2027

The purpose of this bill is to appropriate funding in order to prevent the imminent shutdown of operations at the state's correctional facilities and the possible filing of lawsuits by inmates. H.B. 2027 amends Act 289, Session Laws of Hawaii 1993, as amended by Act 252, Session Laws of Hawaii 1994.

In its testimony, the Department of Public Safety has indicated that it is taking appropriate actions to ensure that this deficit situation regarding overtime expenditures is resolved.

The Committee is cognizant of the critical emergency which exists and is further aware of the vigorous efforts on the part of the Department of Public Safety and the Corrections Population Management Commission to remedy this situation.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2027 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

SCRep. 381 Higher Education and the Arts on H.B. No. 293

The purpose of this bill is to establish a student housing revolving fund.

Your Committee received a written analysis of this bill from the State Auditor. Your Committee received testimony in support of this bill from the Vice President for Student Affairs at the University of Hawaii, who commented on the advantages which the proposed revolving fund would provide regarding expenditures made for student hall staff orientation and training, recognition of residence hall council volunteers, resident orientation, and educational development programs.

Under the present provisions of Section 306-10, Hawaii Revised Statutes, all student housing operations come under the student housing revenue undertaking fund, which makes no provision for expenditures made for student housing extracurricular activities. This bill creates a new fund which allows for greater flexibility in this area.

As affirmed by the record of votes of the members of your Committee on Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 293 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Yonamine and Anderson.

SCRep. 382 Hawaiian Affairs and Housing on H.B. No. 408

The purpose of the bill is to appropriate funds from the general revenues of the State of Hawaii to purchase structures which were originally constructed with HUD funds and also for the plan, design, and construction of a:

- (1) "Safe Haven" demonstration project;
- (2) Dormitory for the homeless mentally ill; and

- (3) Long-term rehabilitation residence for the severely mentally ill.

Testimony was received in full support of the bill from the City and County of Honolulu's Department of Housing and Community Development. The Hawaii Housing Authority and the Department of Health support the intent of this measure but cannot support the funding of any additional programs.

Your Committee recognizes the homeless problem within the State of Hawaii and expresses its commitment to expeditiously address the demand for additional resources. In addition to the great need for shelters, supportive social services must be provided for the success of any program to meet the needs of the homeless population.

However, your Committee realizes that the more appropriate vehicle for a comprehensive homeless program would be in a separate bill dealing directly with the issues. This would afford the issues of homelessness full public discussion and represent a commitment by the people of Hawaii to meet this basic human need.

Upon careful consideration, your Committee has allowed House Bill 331 to be a vehicle for a comprehensive homeless program which concurrently deals with the homeless mentally ill. In conclusion, your Committee has amended this bill by deleting its contents and substituting language which funds planning efforts to transfer the Del Monte camp at Poamoho and Kunia from company housing to collective ownership.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 408, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 408, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, Kawakami and Stegmaier.

SCRep. 383 Hawaiian Affairs and Housing on H.B. No. 1828

The purpose of this bill is to appropriate funds to remedy land claims against the State of Hawaii for the improper uses or exchanges of Hawaiian homelands which occurred between August 21, 1959, to the present. The bill also establishes the Hawaiian Home Lands Settlement Trust Fund to provide a secure and predictable funding source.

This bill is based on a Memorandum of Understanding (MOU) between the Department of Hawaiian Home Lands (DHHL), Department of Land and Natural Resources (DLNR), the Department of the Attorney General, the Office of State Planning (OSP), and the court-appointed independent representative for the beneficiaries of the Hawaiian Home Lands Trust (Independent Representative). These entities comprised the Task Force on DHHL Land Title and Related Claims.

The bill specifically addresses the breaches of trust by:

- (1) Recognizing the trust obligation and the breaches thereto by the State of Hawaii over the Hawaiian Home Lands Trust;
- (2) Creating a Hawaiian Home Lands Settlement Trust Fund;
- (3) Appropriating \$30,000,000 annually until the entire \$600,000,000 claim settlement is paid into the Hawaiian Home Lands Settlement Trust Fund;
- (4) Requiring interest to accrue on the balance of any funds due but not appropriated by the end of each year; and
- (5) Making other appropriations to seek remedy for breaches of the trust by the State and the federal government.

Your Committee received testimony in favor of this bill from the OSP, the DHHL, the Office of Hawaiian Affairs, the Hawaiian Home Lands Action Network, Pacific-Asian Inc., the Native Hawaiian Legal Corporation, the Pahe'ehe'e Ridge Association, Hui Kako'o Aina Ho'opulapula, Ka Lahui Hawaii, Association of Hawaiian Civic Clubs, the State Council on Hawaiian Homestead Associations, Waiohuli Hawaiian Homesteaders Inc., Ahupua'a Maui Island, Ahupua'a O Oahu, Island of Kauai Ahupua'a, Nanakuli Hawaiian Homestead Community Association, Hawaiian Political Action Committee, Aboriginal Native Hawaiian Association, and many private citizens.

The large numbers of testimony indicated to your Committee that the public feels it is time to settle breaches of the Hawaiian Home Lands Trust. Various agencies and individuals testified that the MOU struck a delicate balance in the best interest of all parties involved.

Your Committee recognizes the need of the Independent Representative to be retained in order to represent the beneficiaries in the continuing pursuit of claims for breaches of the trust. There was concern expressed regarding the claims settlement being seen as a replacement to funds the DHHL is already entitled to under the State Constitution.

Upon careful consideration, your Committee has amended the bill to clarify the intent of the MOU and to address concerns discussed. The amendments clarify that:

- (1) Interest will accrue on the balance of the annual payment due yet not appropriated (page 7, line 8);

- (2) The claim settlement payments shall not replace nor diminish funds to which the DHHL are constitutionally entitled (page 7, line 17), (page 8, line 16); and
- (3) The State shall appropriate funds to allow the Independent Representative to continue trust claims against the federal government (page 9, line 21).

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1828, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1828, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 384 Consumer Protection and Commerce on H.B. No. 529

The purpose of this bill is to repeal the statute creating the Hawaii Property Insurance Association (HPIA) and to amend the law creating the Hawaii Hurricane Relief Fund (HHRF).

Under this bill, the HHRF would become a natural disaster relief fund. In addition to the hurricane coverage currently available through the HHRF, the fund would be expanded to provide coverage for perils such as volcanic eruption, earthquake, waterspouts, windstorms, tsunamis, and flood.

Testimony against expanding insurance coverage to include multi-hazards was received from the executive director of HHRF, HPIA, Hawaii Insurers Council, Hawaii Independent Insurance Agents Association, and the National Association of Independent Insurers.

Testimony indicated that although its actual impact is unknown, expanded coverage of the HHRF will affect insurance premiums, may affect the availability of reinsurance funds, and may discourage additional insurers from entering the market.

The executive director of the HHRF indicated that the identification of hazard zones to establish a tiered system of premiums would be considered by the HHRF and rate relief may be afforded to property owners who are not in certain areas of risks.

Your Committee recognizes the public interest in the passage of this bill as expressed to its respective representatives and understands the particular problems confronting the homeowners on the islands of Hawaii and Kauai.

Your Committee finds that both HPIA and HHRF are presently needed to address the needs of the homeowners for whom these insurance programs were created.

Therefore, this bill has been amended by:

- (1) Deleting provisions requiring insurance coverage of multi-hazards;
- (2) Retaining the provision on page 6, lines 17 through 22, which provides that in calculating property insurance rates, consideration must also be given to the adequacy of building codes to handle a covered event, compliance with code requirements, and ability to withstand damage independently of code requirements;
- (3) Retaining subsection (4) on page 7, lines 7 through 10, which requires the HHRF to identify hazard zones within the State so that property insurance rates may be adjusted accordingly; and
- (4) Making technical and nonsubstantive changes for purposes of style, consistency, and clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 529, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 529, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 385 Consumer Protection and Commerce on H.B. No. 1267

The purpose of this bill is to increase the service charge assessed and collected for dishonored items received by state agencies.

The administrative director of the Judiciary requested an increase in the service charge from \$7.50 to \$10.00 for dishonored items and testified that this increase is consistent with rates charged by financial institutions and commercial firms.

Since the enactment of this section in 1981, banks and commercial businesses have increased their service fees but state agencies have not increased their fees. Currently, an average charge of \$14.25 is assessed by Honolulu's six banks. An increase in service fees will result in fewer bad checks by encouraging compliance with proper procedures and decrease the workload created by dishonored items.

Your Committee agrees that an increase in the service charge is necessary to recover costs for the processing of dishonored items and that the increase represents prudent fiscal management.

The bill requests that the service charge for dishonored items be increased to \$10.00; however, your Committee has amended this bill to increase the requested amount to \$15.00.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1267, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 386 Consumer Protection and Commerce on H.B. No. 1919

The purpose of this bill is to restore the insurance examiner's revolving fund.

Testimony in support of this bill was received from the Insurance Commissioner and the Hawaii State Association of Life Underwriters.

Your Committee recognizes that the revolving fund is critical to the accreditation of Hawaii under the National Association of Insurance Commissioner's Financial Regulation Standards and Accreditation Program. The restoration of the revolving fund will ensure Hawaii's accreditation.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1919 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Tom and Meyer.

SCRep. 387 Consumer Protection and Commerce on H.B. No. 1950

The purpose of this bill is to amend Section 269-52, Hawaii Revised Statutes, by increasing the number of utility analysts who are exempt from civil service and to delete any reference to a specific salary amount for these utility analysts.

The executive director of the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs (Consumer Advocate) testified in favor of this bill. These amendments would enable the Consumer Advocate to attract more industry specialists to these positions and reduce reliance on contracted consultants.

Your Committee believes that these amendments would afford the Consumer Advocate the needed flexibility in staffing and permit these positions to be filled with analysts who have greater specialized expertise. The hiring of civil service exempt employees would assist the Consumer Advocate to compete effectively with the private utilities and the public utilities commission for competent industry specialists.

The bill would confer discretionary authority on the Consumer Advocate to hire the requisite number of staff analysts who are exempt from civil service. Given the fiscal constraints that face the State, your Committee amends the bill by placing a ceiling on the number of staff analyst positions that the Consumer Advocate can fill. The bill as amended would increase the number of staff analysts from two to five in order to meet the increasing needs of the Consumer Advocate.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1950, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1950, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 388 Consumer Protection and Commerce on H.B. No. 2034

The purpose of this bill is to amend Section 241-4(b), Hawaii Revised Statutes, by deleting the provisions relating to the allocation and separate accounting for financial institutions.

The Department of Taxation testified that repeal of the aforementioned provisions will require financial institutions to follow the Uniform Division of Income for Tax Purposes Act (UDIPTA). The applicable provisions of the UDIPTA are contained in Part II of Chapter 235, Hawaii Revised Statutes, and the use of the UDIPTA will more accurately reflect income within and without Hawaii.

Your Committee agrees that the proposed amendments will conform Hawaii to methods used in most other states and that this is particularly important with increasing interstate banking activity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2034 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 389 Consumer Protection and Commerce on H.B. No. 2219

The purpose of this bill is to add a new section to Chapter 440G, Hawaii Revised Statutes, to require the Director of the Department of Commerce and Consumer Affairs to increase the number of new public access stations by July 1996. Funds also would be appropriated for grants-in-aid to the three neighbor island public, educational, and government (PEG) access organizations for the purpose of purchasing equipment necessary for legislative and other programming.

Testimonies supporting the intent of the bill were received from the administrator of the Cable Television Division of the Department of Commerce and Consumer Affairs and the Hawaii Cable Television Association. The administrator of the Cable Television Division also testified that cable system upgrades and technological enhancements will result in an adequate number of channels for PEG access by the start of the 1996 legislative session.

Your Committee believes Section 2 of the measure is unnecessary because of the testimony indicating that current cable franchise requirements will result in an increase in PEG access channel capacity by next year.

Accordingly, this bill is amended as follows:

- (1) Deleting from page 1, lines 2 through 4, the phrase "by mandating that a portion of the revenues generated by local cable companies support public, educational, and governmental programming";
- (2) Amending page 3, lines 3 through 12, by deleting present language contained in the bill and inserting new language to read, "The purpose of this Act is to provide a grant-in-aid to Ho'ike Kauai, Akaku, and Na Leo 'O Hawai'i for the purpose of purchasing taping and other equipment necessary to permit rebroadcasts of state legislative programming on a timely basis";
- (3) Deleting Section 2 of the bill; and,
- (4) Making technical and nonsubstantive changes to the bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2219, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2219, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 390 Transportation on H.B. No. 250

The purpose of this bill is to authorize the Department of Transportation to regulate and grant permits for private helipads.

Your Committee on Transportation finds that helicopter operators who seek permits to operate out of private helipads on private property rather than state airports have been granted permits by the counties without consultation with the Department of Transportation. The Department of Transportation is the licensing agency for helipads used by the public; however there is no licensing agency for helipads operating exclusively for private use. Therefore, the counties currently regulate these helipad facilities through their zoning codes with respect to location of permitted uses, but are not qualified to evaluate issues of airspace control.

The proposed bill would authorize the Department of Transportation to regulate and grant permits for private helipads. The department would be required to hold public hearings in affected communities where private helipad facilities are requested and provide written justification if the permit application is denied.

Your Committee received testimony from the Department of Transportation supporting the intent of the bill, but it believes that legislation is not necessary as its current administrative rules provide for the licensing of private helipads open to the public and is willing to amend its rules to include licensing of private helipads not open to the general public.

Your Committee also received testimony from the State Health Planning and Development Agency and Mercy Air Hawaii, Inc. which recommended exemptions for helipads that are used solely for helicopter air ambulances.

Testimony in support of this bill was received from Life of the Land and Citizens Against Noise.

Testimony in opposition to this bill was received from the City and County of Honolulu which is concerned about the state authority to supercede county land use regulations.

Your Committee has amended the bill to:

- (1) Require the Department of Transportation to evaluate county general plans and ordinances when deciding to grant a private helipad permit; and
- (2) Exempt helicopters providing emergency medical services or performing medical evacuation.

These amendments eliminate the state's ability to supercede county land use regulations and ensure the continuation of helicopter ambulance service.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 250, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 250, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 391 Transportation on H.B. No. 1265

The purpose of this bill is to discourage motorists from operating their vehicles at excessive speeds.

Your Committee on Transportation recognizes that speeding vehicles result in accidents, especially when motorists are exceeding posted speed limits.

The proposed legislation seeks to deter excessive speeds through penalties for excessive violation of speed limits. As received by your Committee, a motorist who operates a vehicle at a speed greater than twenty-six miles an hour or more over the speed limit is subject to a fine of not more than \$500 or imprisoned for not more than thirty days or both.

Testimony in favor of this bill was heard from the Office of the Administrative Director of the Courts. It was pointed out that a technical error had been made in the bill.

Your Committee has amended this bill by amending line 8, page 1, to read twenty-five miles an hour, rather than twenty-six.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1265, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1265, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ito.

SCRep. 392 Transportation on H.B. No. 1491

The purpose of this bill is to

- (1) Streamline the procedure for convicting an injured intoxicated driver of driving under the influence (DUI); and
- (2) Require a medical facility to test the blood alcohol content of an injured driver involved in an accident causing injury or death upon the determination of probable cause by the police.

Your Committee on Transportation finds that currently when an injured driver is taken to a medical facility, even though there is evidence of intoxication, frequently no blood alcohol test is administered and the driver is released without being arrested for DUI. In 1994, none of the 56 hospitalized, alcohol-impaired drivers were convicted of DUI. These drivers can arguably be considered the most dangerous, since they have been involved in an accident. However, these injured drivers do not fall under the current implied consent law because they are not under arrest and therefore can refuse a blood alcohol test without recourse.

Your Committee further finds that many intoxicated drivers are feigning injury to escape the blood alcohol test. Although probable cause exists for police to request a blood test (because of what is observed on the scene, i.e. open container, appearance of driver, the collision itself), there is no consequence if the driver refuses a blood test because the driver has not been arrested. The police may have probable cause to support an arrest of the driver based on observations made at the scene, but do not do so because if an arrest is made, the police must take custody of the arrestee which is problematic when the person is receiving medical treatment.

Thus, it is apparent that numerous intoxicated drivers are escaping the blood alcohol test by slipping through a loophole in the present statutory laws. Emergency room physicians see this happening more frequently. Currently, blood alcohol testing for medical reasons is allowed, but these results are not suitable for consideration by the prosecution in a DUI case because of evidentiary problems.

The proposed bill mainly addresses hospital administrators who have been reluctant to allow their staff to perform blood alcohol testing. In the event that a driver refuses to allow the medical personnel to withdraw a blood sample and there is an imminent threat to the health and safety of the person or others, the hospital would take this as a refusal and would not be required to withdraw blood. This bill would clarify blood testing procedures for the medical profession and expedite the prosecution of DUI arrests.

Your Committee received testimony in support of this bill from the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, the Governor's Highway Safety Council Impaired Driving Task Force, Mothers Against Drunk Driving, the Hawaii Chapter of the American College of Emergency Physicians, and a concerned citizen.

Testimony in opposition to this bill was received from the Office of the Public Defender which addressed the concern that it would be unconstitutional to forcibly remove blood from a person and would authorize further government intrusion.

Your Committee has amended the bill to:

- (1) Apply to all accidents rather than collisions so that the bill would be applicable to one-vehicle accidents as well as those involving two or more vehicles; and

- (2) Create an exemption from the mandatory withdrawal of blood for hospital personnel if they in good faith determine there is imminent physical injury to the person or others.

These amendments clarify the procedure for blood alcohol testing of injured drivers at medical facilities upon the determination of probable cause by the police.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1491, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1491, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ito.

SCRep. 393 Transportation on H.B. No. 2324

The purpose of this bill is to increase the minimum property damage threshold for requiring the driver of a motor vehicle to notify the police about an accident.

Your Committee on Transportation finds that damages from a minor traffic accident may exceed the current threshold limitation of \$1,000 before reporting the accident to the police. Since costs of labor and parts for repairing damaged vehicles have escalated, the present limitation is unreasonable. Motorists who are cited are required to file proof of financial responsibility.

The proposed legislation increases the threshold from \$1,000 to \$3,000 before requiring a police report, thus reducing inconvenience for motorists and police, as well as being more realistic in dealing with minor accidents.

Testimonies in support of this measure were heard from the Office of the Public Defender, the City and County of Honolulu, and the City and County of Honolulu Police Department. The Hawaii Insurers Council and a major insurance company testified against the bill. The former expressed concern that raising the threshold will result in insurance companies not receiving detailed reports of accidents from the police. Your Committee finds that the police use a detailed or long form for reporting serious accidents, and a simplified short form for minor accidents. The long form takes up to an hour to process; the short form may be completed in ten minutes. The insurance company expressed concern that the number of accidents would be understated.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2324 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.
(Representative Ward voted no.)

SCRep. 394 Transportation on H.B. No. 1731

The purpose of this bill is to prohibit interisland transportation of restricted or prohibited plants or animals to reduce the risk of spread of disease or infestation to neighboring islands.

Your Committee on Transportation finds that there is currently no inspection system in place for interisland transportation of goods. In the event of a high degree of risk of the spread of disease or infestation from any plant, animal or pest, the state would not be prepared with an inspection procedure to reduce the risk.

The proposed bill would use established security systems at interisland airports and harbors to inspect items being transported interisland at a time when the Board of Agriculture determines there is a high degree of risk. Utilizing existing personnel would reduce the funding necessary for implementing the proposed security system. The bill recommends that existing airport security inspectors be trained to also inspect baggage for possible plant, animal, or pest disease.

The Department of Transportation provided testimony supporting the intent of the bill, but expressed concerns regarding space, equipment, personnel and funding.

Testimony was also received from the Airlines Committee of Hawaii and Young Brothers, Limited, which expressed concerns regarding location, logistics, and timeliness of interisland inspections.

Your Committee has amended the bill to facilitate the use of existing security systems rather than establishing new inspection stations.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1731, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1731, H.D. 1.

Signed by all members of the Committee.

SCRep. 395 Consumer Protection and Commerce on H.B. No. 5

The purpose of this bill is to establish an on-line computer network and database for purposes of verifying whether a vehicle has a current no-fault insurance policy prior to the registration, renewal, or transfer of registration of a motor vehicle.

Your Committee received testimony in support of the bill from the City and County of Honolulu, the Chamber of Commerce of Hawaii, the Hawaii Trial Lawyers Association, and the American Association of Retired Persons (AARP).

Your Committee also received additional testimony supporting the intent of the bill, but expressing concerns about the measure. The Department of Transportation testified that federal funds may not be available for the purpose stated in the bill. Moreover, while supporting the intent and purpose of the bill, the Insurance Commissioner deferred to the Department of Transportation on the funding source.

Furthermore, your Committee received testimony from the Hawaii Insurers Council and State Farm Insurance expressing concerns about the potential cost of the system and favoring a random sampling approach. In addition, both organizations indicated that the two-day period for insurance carriers to input data was too short and should be increased.

Notwithstanding the reservations that were expressed about this bill, your Committee recommended passing this measure as a vehicle for further discussion on the problem of uninsured motorists.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 5, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.
(Representatives Herkes and Meyer voted no.)

SCRep. 396 Consumer Protection and Commerce on H.B. No. 1385

The purpose of this bill is to amend Chapter 382, Hawaii Revised Statutes, to provide a means by which practitioners can prescribe "brand" medication for their patients whenever medically necessary and indicate a substitution is not permitted. The bill also clarifies that prescription drugs may be dispensed by only licensed pharmacists.

Current law requires a pharmacist to offer to the consumer lower cost equivalent drug substitutions, referred to as "generic drugs", whenever it is appropriate. If the practitioner prescribing the drugs does not want a substitute drug to be dispensed, the practitioner must manually write on each prescription "brand name medically necessary" or "do not substitute". The Department of Health, The Hawaii Pharmaceutical Association, and the Hawaii Medical Association testified in support of the bill and noted the convenience not having to handwrite "brand name medically necessary" or "do not substitute" on the prescription.

Your Committee agrees that the bill would ease the unnecessary burden created by requiring the practitioner to handwrite the "brand" requirement and that a two signature line prescription drug form to help convey instructions will ease this burden. Further, your Committee recognizes that it is not the intention of this bill to reduce the usage of "generic drugs".

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1385, H.D. 1, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Hiraki, Swain and Tom.

SCRep. 397 Consumer Protection and Commerce on H.B. No. 1819

The purpose of this bill is to transfer the authority and supervision of independent private schools from the Department of Education to a commission for the purposes of licensing private schools and teacher certification.

Favorable testimonies were received from the Superintendent of the Department of Education (DOE) and the Hawaii Association of Independent Schools. At present, the regulation of private schools is conducted by the DOE.

Your Committee agrees that the passage of this bill would benefit both the DOE and private schools. The DOE's time and resources can be more effectively channeled into the concerns of the public school system which is the DOE's primary responsibility. At the same time, the commission will be able to more effectively regulate private schools because of its ability to focus on the particular qualities and problems of private schools.

The bill has been amended to delete the one member from the DOE so that the commission becomes an eleven-member commission. This change is made at the recommendation of the DOE and intended to assist the commission in achieving its goal of total self regulation of private schools.

Your Committee has amended the bill as follows:

- (1) Changed the number of commission members from twelve to eleven on line 20 of page 2;
- (2) Deleted the provision for a member to be appointed by the Superintendent of Education on lines 9 through 11; and
- (3) Made technical and nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1819, H.D. 1, as amended

herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1819, H.D. 2.

Signed by all members of the Committee except Representatives Hiraki, Swain and Tom.

SCRep. 398 Consumer Protection and Commerce on H.B. No. 1921

The purpose of this bill is to add a new chapter to the Hawaii Revised Statutes to fully implement certain health group insurance and Medicaid program requirements mandated by federal law.

Under the Omnibus Budget Reconciliation Act (OBRA) of 1993, states are mandated to adopt legislation prohibiting insurers from taking Medicaid eligibility into account when providing insurance coverage. States must also require insurers to provide group health plan coverage for dependent adopted children of participants or beneficiaries. Further, states must adopt several provisions relating to coverage of dependents involved in child support situations.

Your Committee received supportive testimony from the Insurance Commissioner.

Your Committee agrees that this measure is needed to conform Hawaii's law to federal law. The failure to do so will result in the withholding of federal Medicaid match funding of the State's Medicaid plan.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1921 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Swain and Tom.

SCRep. 399 Consumer Protection and Commerce on H.B. No. 2275

The purpose of this bill is to lower the tax rate on beer and permit an increase in the number of barrels of malt beverages a brewpub may produce.

The Department of Taxation testified against the bill and indicated that the proposed tax rate would result in the loss of much needed tax revenues generated from the sale of beer. The proposed tax rate would also unfairly favor one type of liquor over others.

Testimony against the bill was also received from The Retail Liquor Dealers and Dispensers of Hawaii and The Hawaii Wholesale Liquor Dealers Association.

Your Committee is concerned with the tax consequences of the proposed tax rate changes as well as the discriminatory and uneven application of the law. On the other hand, your Committee recognizes the economic benefits to be gained by encouraging the growth of brewpub operations in Hawaii.

Accordingly, your Committee has made several amendments to this bill which include deleting tax rate changes and increasing the number of barrels of malt beverages a manufacturer may produce during the license year from three to five thousand barrels. Your Committee has also made technical, nonsubstantive changes to the bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2275, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2275, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 400 Health on H.B. No. 57

The purpose of this bill is to prohibit insurers from refusing to provide disability insurance coverage to a person who has been under the care of a mental health professional.

Your Committee agrees with testimony presented by the Hawaii Medical Association that there is no rational reason for excluding individuals who previously received mental health care from obtaining disability insurance.

The bill was amended to permit insurers to take into account whether or not the individual is under the care of a mental health professional at the time an application is submitted for disability insurance.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 57, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 57, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Kawakami.

SCRep. 401 Health on H.B. No. 754

The purpose of this bill is to require that rules determining the eligibility of exceptional children for instruction, special facilities, and social services be established by the Department of Health and the Department of Education. This bill also requires the Department of Education to evaluate, identify, and report to the Department of Health any suspicious increase or significant clusters of disease or illness suspected to be related to environmental contamination. The Department of Health is required to work cooperatively with the Department of Education in this regard and to make appropriate reports to the public.

The Department of Health supports the intent of this bill and is willing to continue to work with the Department of Education on environmental concerns. The Committee agrees with an amendment suggested by the Department of Health that its responsibilities under this bill be performed within funds available. The Committee also amended the bill to require that the Department of Health report to the public all findings relating to the presence and absence of significant clusters or increases of illness.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 754 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 754, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Saiki and Anderson.

SCRep. 402 Health and Human Services on H.B. No. 230

The purpose of this bill is to create the Hawaii self-sufficiency trust fund to hold moneys from private funds for the benefit of disabled persons in order to provide them medical care and treatment. In addition, this bill creates the residual trust fund to perform the same function for low-income disabled persons.

The concept and intent of this bill were supported in testimony from Rep. Virginia Isbell, State Planning Council on Developmental Disabilities, Mental Health Association, and Oahu Alliance for the Mentally Ill. The Committees agree that the trust fund is an important mechanism which is needed to protect funds on behalf of mentally ill and disabled individuals.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 230 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Stegmaier.

SCRep. 403 Health and Human Services on H.B. No. 895

The purpose of this bill is to authorize the Department of Health to regulate assisted living facilities.

Testimony was received in support of this bill from the Department of Health, Child and Family Service, Assisted Living Options Task Force, and Mrs. Loretta Schuler. The Committees are in agreement with the testimony received and believe that assisted living facilities will play an important role in our overall health care system.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 895, and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representative Arakaki.

SCRep. 404 Hawaiian Affairs and Housing on H.B. No. 976

The purpose of this bill is to continue to support the efforts of the Hawaiian Sovereignty Elections Council to hold a plebiscite in 1995, to determine the will of the indigenous Hawaiian people to restore a nation of their own choosing.

This bill would appropriate funds for:

- (1) Fiscal year 1995-1996, to complete the plebiscite-related functions as well as to plan an election of delegates; and
- (2) Fiscal year 1996-1997, to conduct an election of delegates and for the first month of a Hawaiian convention.

Your Committee received voluminous testimony on this bill. Those in support generally maintained that the plebiscite will give all Hawaiians the opportunity to make their own choice and thereby help them direct their own future. Supporters of this bill described the plebiscite process as orderly, fair, and inclusive.

Testimony in opposition generally maintained that sovereignty must be achieved independent of federal and state interference. Opponents believe that because the Elections Council is a State initiative, the bill violates the indigenous peoples inherent right to self-determination.

After reviewing the testimony, your Committee noted that the Elections Council's current timetable calls for the plebiscite to take place through a mail ballot scheduled from November 15, 1995, to December 29, 1995. Over the next nine months, the Elections Council must continue to coordinate efforts to educate the Hawaiian community about the various models of sovereignty. In addition, it must also implement outreach projects to educate voters about the entire

plebiscite process. In retrospect, the timetable for the plebiscite may have been too ambitious. More time may be needed to educate the Hawaiian community about this important matter. Accordingly, your Committee has:

- (1) Rescheduled the date of the plebiscite from 1995 to 1996;
- (2) Reduced the appropriation for fiscal year 1996-1997, for conducting the election of delegates to \$1 for the purposes of continued discussion; and
- (3) Made technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 976, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 976, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kawakami and Stegmaier.

SCRep. 405 Public Safety and Military Affairs on H.B. No. 141

The purpose of this bill is to enable the Corrections Population Management Commission to increase the composition of its present membership by one additional member.

Testimony received from the Department of Public Safety, The Judiciary and the Corrections Population Management Commission affirmed the need for neighbor island representation and participation on the Commission.

In order to provide for full participation by this added member, your Committee has amended the bill to include cost factors involved in carrying out the intent and purpose of this Act. These funds are to be used to create one exempt professional position and one exempt support position, including travel and operating expenses.

Your Committee agrees that the provision continuing the Commission to June 30, 1997 plus the expansion of membership to ensure a neighbor island law enforcement representative will assist the Commission in achieving its objectives.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 141, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki, Tom and Meyer,

SCRep. 406 Public Safety and Military Affairs on H.B. No. 148

The purpose of this bill is to authorize the Department of Public Safety to implement an automated computer system to accurately maintain its personnel leave records. With the implementation of an automated system, the current manual system would be discontinued.

The Department of Public Safety testified in support of the bill.

Your Committee recognizes the need for an automated system for recording and maintaining personnel records and the efficiency such a system could achieve.

Upon consideration, your Committee has amended this bill by:

- (1) Inserting an appropriation of \$54,000 for fiscal year 1995-1996, to be allocated as follows:
 - (a) \$36,000 for personal computers (three personal computers for each of the six correctional facilities, six of which are local network servers (LAN));
 - (b) \$9,600 for network software and cabling for all six correctional facilities; and
 - (c) \$8,400 for six printers; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 148, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki, Tom and Meyer.

SCRep. 407 Public Safety and Military Affairs on H.B. No. 2024

The purpose of this bill is to enable the Department of Public Safety to hire exempt employees in its Correctional Industries Program. The bill further requires the Department of Public Safety to submit an annual report to the Legislature detailing all positions established within the Correctional Industries Program.

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

Your Committee finds that enabling the Department of Public Safety to operate its Correction Industries program with exempt positions would allow the program to operate more like a private business. By hiring exempt employees, the Department of Public Safety could establish positions in a timely manner as business opportunities arise, and as conditions within a particular industry change. The hiring process would be facilitated, as the Department of Public Safety would not be bound by the regular civil service recruitment policies. Also, the Department of Public Safety would be able to terminate employees if a business failed to meet its production goals, or if market conditions changed.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2024 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

SCRep. 408 Public Safety and Military Affairs on H.B. No. 2025

The intent of H.B. 2025 is to amend Act 151, Session Laws of Hawaii 1991, by amending Section 7, as amended by Act 61, Session Laws of Hawaii 1993. Its principal purpose is to enable the Department of Public Safety to initiate and expedite construction of the third phase of the Women's Community Correctional Center up to July 1, 1998, without prior legislative approval.

Testimony received from the Department of Public Safety affirmed that this construction is necessary in order to comply with the requirements of the Spear vs. Waihee Consent Decree. It will permit the department to relocate the adult females from the Oahu Community Correctional Facility where they are temporarily housed. The module which they now occupy will then be converted to house male pretrial inmates.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2025 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

SCRep. 409 Economic Development and Business Concerns on H.B. No. 825

The purpose of this bill is to enhance the telecommunications industry in the state by:

- (1) Allowing alternative telecommunications providers to serve underserved areas of the state as determined by the Public Utilities Commission (PUC); and
- (2) Establishing minimum standards for basic telephone service.

While your Committee recognizes the ongoing efforts of the parties involved in Docket No. 94-0346 and Docket No. 7702 to examine the current and future status of telecommunications in Hawaii, it is your Committee's belief that the vast economic potential and opportunities of the telecommunications industry necessitate that the state move forward immediately to facilitate efforts to bring enhanced communications services to Hawaii's people.

Your Committee received testimony in support of the bill from Oceanic Cablevision and Oceanic Communications. Comments on the bill were received from the Executive Director of the Division of the Consumer Advocacy, Department of Commerce and Consumer Affairs; and AT&T. The PUC submitted testimony requesting that the bill be deferred pending the outcomes of Docket No. 94-0346 and Docket No. 7702. Testimony in opposition to the bill was received from GTE Hawaiian Telephone Incorporated.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 825 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Morihara.

SCRep. 410 Economic Development and Business Concerns on H.B. No. 2184

The purpose of this bill is to authorize the issuance of up to \$25,000,000 in special purpose revenue bonds to assist the TONY! Corporation in developing its manufacturing facilities for the purpose of building TONY! keyboards in the state.

It is the intent of your Committee that this bill serves as a means of supporting viable, new economic endeavors in the state and as a means of encouraging economic diversification.

Your Committee received testimony in support of the measure from an interested private citizen.

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

- (1) Changing the special purpose revenue bond sum from \$25,000,000 to \$1, to facilitate further discussion on the financial aspect of the bill; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2184, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2184, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 411 Economic Development and Business Concerns and Agriculture on H.B. No. 2183

The purpose of this bill is to appropriate funds to:

- (1) Complete the Lihue fruit fly disinfestation facility; and
- (2) Be used as "good faith money" to secure firm commitments for matching federal funds on at least a one-to-ten ratio.

Your Committees note the intent of this bill to secure federal funds for designated economic projects and programs for the revitalization of Kauai's economy.

Testimony supporting the intent of this measure was submitted by the Department of Agriculture and the Department of Business, Economic Development, and Tourism.

Your Committees have amended this bill by:

- (1) Changing the appropriation sum from \$450,000 to \$2 for the purpose of facilitating further discussion on the monetary aspect of the subject matter;
- (2) Providing that of the total sum appropriated:
 - (a) \$1 shall be expended to continue plant propagation and food processing research; marketing programs for value-added, processed agricultural products; and other economic ventures related to agriculture; and
 - (b) \$1 shall be expended for designated economic revitalization activities, including high technology diversification, and support for local small businesses;
- (3) Specifying that the sum be expended through contract to the Kauai Economic Development Board; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2183, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2183, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 412 Economic Development and Business Concerns on H.B. No. 1878

The purpose of this bill is to clarify and to streamline the implementation and procedural rules of the Enterprise Zone Program (Program).

Among other things, this bill:

- (1) Revises the low-income hiring requirements to allow variation by family size and to allow updating annually rather than every ten years;
- (2) Adds the definition of "low-income employee" to the law on state enterprise zones;
- (3) Deletes references to the public service company tax and the bank and financial corporation tax;
- (4) Simplifies tax credit claims by eliminating the requirement for certified public accountant verification;
- (5) Makes other changes to update references to federal census data and federal enterprise zone criteria; and
- (6) Revises ambiguous language, deletes unnecessary provisions, and updates obsolete sections.

Your Committee notes that this bill is a housekeeping measure and would clarify and define language within the statute in order to conform with current federal regulations. In addition, your Committee believes that allowing any accountant licensed to do business in the state to verify eligibility will make it less costly for businesses to participate in the Program. Currently, only certified public accountants are allowed to verify business eligibility in the Program.

Testimony in support of the bill was received from the Department of Business, Economic Development, and Tourism.

Your Committee has amended this bill by making technical, nonsubstantive amendments to conform with current law and to clarify the language in the bill.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1878 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1878, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cachola.

SCRep. 413 Health and Hawaiian Affairs and Housing on H.B. No. 2190

The purpose of this bill is to clarify HRS section 326-3 in order to designate the Hale Mohalu elderly housing project in Pearl City, Oahu as a designated "residential facility".

Testimony was received in support of this bill from Hale Mohalu and Dr. Robert Worth. The Department of Health also submitted testimony in support of the concept behind this bill, but claimed that at this time funding was not available. The Department of Health noted, however, that this bill would not require it to designate funding at this time.

The Committees agree that this bill will not create a financial obligation upon the Department of Health, but it will give the department a funding option in the event funding becomes available in the future.

As affirmed by the records of votes of the members of your Committees on Health and Hawaiian Affairs and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2190 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Chun Oakland, Stegmaier, Anderson and Kawanakoa.

SCRep. 414 Health on H.B. No. 897

The purpose of this bill is to require the Board of Nursing to adopt rules for the delegation of special tasks of nursing care to individuals who are not nurses.

Your Committee believes that such delegation of tasks will be effective, efficient, and safe. The rulemaking process will ensure public input into the delegation process. Your Committee believes that under proper supervision, individuals who are not nurses can perform a variety of health care functions, such as administering medication.

Your Committee believes that this delegation of duties can take place in a variety of settings and not just in assisted living facilities and should not be limited to nursing assistants. Consequently, the bill has been amended to make these two changes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 897, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Saiki and Anderson.

SCRep. 415 Health on H.B. No. 1556

The purpose of this bill is to prohibit insurers providing prepaid health care insurance from requiring genetic testing as a condition for obtaining insurance.

Subsequent to the public hearing on this bill, the Committee received a letter from the Department of Health indicating that there are a variety of methods of genetic testing including the most well known DNA test. The Committee recommends to the Committee on Consumer Protection and Commerce that the definition of "genetic test" in Section 1, part(a) should be amended to reflect that a "genetic test" means any test for the purpose of detecting the presence of a genetic disease or disorder or the individual's predisposition for a particular genetic disease or disorder.

In addition, it is the intent of the Committee that this prohibition apply equally to insurance companies, health maintenance organizations, and health care mutual benefit societies. Consequently, the Committee has amended this bill by adding an additional section in order to make sure that all payors are treated equally.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1556, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Stegmaier and Anderson.

SCRep. 416 Consumer Protection and Commerce on H.B. No. 1959

The purpose of this bill, as received by your Committee, is to assist the Medical Claims Conciliation Panels (MCCP) and the Design Professional Conciliation Panels (DPCP) in becoming more self-sufficient by, among other things:

- (1) Establishing non-refundable filing fees for filing claims with the MCCP and DPCP, to help defray the administrative costs of the programs;
- (2) Requiring parties to MCCP claims to make a deposit to the Department of Commerce and Consumer Affairs (Department) upon filing a claim with the MCCP, to help pay the MCCP panel members; and
- (3) Reducing the amount of compensation to each MCCP and DPCP panel member.

Currently, the MCCP panel members are paid from the general funds, while the DPCP panel members are paid from funds deposited by the parties to DPCP claims. Additionally, the Department bears all of the costs of the MCCP and DPCP programs, including administrative costs, secretarial support, reproduction costs, postage, travel, and other panel expenses.

Favorable testimony on this measure was submitted by the Department of Commerce and Consumer Affairs.

After carefully considering the merits of the bill and the testimony submitted, your Committee has amended the measure by:

- (1) Retaining the current level of compensation for panel members;
- (2) Increasing the fees assessed parties to MCCP claims to the current DPCP level;
- (3) Providing the Director of Commerce and Consumer Affairs the option of waiving the filing fees for indigent claimants; and
- (4) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1959, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1959, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Tom and Thielen.

SCRep. 417 Consumer Protection and Commerce and Judiciary on H.B. No. 2093

The purpose of this bill, as received by your Committees, is to authorize and govern the establishment of a new entity called a "limited liability company".

A limited liability company is a unique entity that brings together in a single business organization the best features of all other business forms--properly structured, its owners obtain both a corporate-styled liability shield and the pass-through tax benefits of a partnership.

Testimony in support of this measure was submitted by Hawaii's Commission to Promote Uniform Legislation and a law firm. The Business Registration Division of the Department of Commerce and Consumer Affairs submitted comments on this bill.

After carefully considering the merits of the bill and the testimony submitted, your Committees have amended the measure by:

- (1) Making amendments that are intended to bring the bill into conformity with:
 - (A) The latest version of the Uniform Limited Liability Company Act approved by the National Conference of Commissioners on Uniform State Laws;
 - (B) The current filing requirements of the Business Registration Division of the Department of Commerce and Consumer Affairs; and
 - (C) The fees imposed on corporations by the Department of Commerce and Consumer Affairs;
- (2) Including provisions that are based upon the present statutes applying to corporations; and
- (3) Making technical, nonsubstantive revisions for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2093, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2093, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, McMurdo, White and Yamane.

SCRep. 418 Consumer Protection and Commerce and Judiciary on H.B. No. 1918

The purpose of this bill is to authorize the regulation of the financial soundness of health maintenance organizations.

The Insurance Commissioner testified in support of the bill. In his testimony, he indicated that the most important consumer protection function of the Insurance Division, Department of Commerce and Consumer Affairs, is to ensure the financial solvency of insurance companies. Routine financial surveillance is conducted on accident and health insurers and mutual benefit societies such as HMSA. However, health maintenance organizations (HMO's) are not currently monitored or regulated by the Insurance Division. Forty-seven states and Puerto Rico have adopted comprehensive and self-contained HMO laws.

Also testifying in support of the bill were HMSA, Hawaii Federation of Physician & Dentists, and Kaiser Foundation Health Plan, Inc. (Kaiser). Kaiser requested the bill be amended to permit the offering of a point of service by HMO's.

Your Committees agree that as managed care becomes more attractive as a cost containment mechanism in national health care reform efforts, the number of HMO's will easily increase beyond the current six HMO's operating in Hawaii. The need to regulate this industry in order to protect the public's interest in fiscally sound, efficient and ethical insurance companies also will increase.

Your Committees have adopted the recommendation of Kaiser by amending Section 1 the bill by adding a new subsection (8) to Section -3(a), after subsection (7), on line 4 of page 11, which reads as follows:

- "(8) Offering a point of service (POS) product consisting of:
- (A) In-plan covered health care services obtained from providers who are employed by, or otherwise affiliated with the HMO and emergency services; and
 - (B) Out-of-plan covered services consisting of non-emergency, self-referred covered health care services obtained from providers who are not otherwise employed by, not under contract with, and not otherwise affiliated with the HMO, or services obtained from affiliated specialists without a referral; provided the HMO shall not expend more than ten percent of its total health care expenditures for out-of-plan covered services."

The purpose of the amendment to the bill is to clarify the HMO's ability to offer POS products and is in conformance with current practice.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1918, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1918, H.D. 1.

Signed by all members of the Committees except Representatives Cachola, Hiraki, McMurdo, White, Yamane and Thielen.

SCRep. 419 Judiciary on H.B. No. 2303

The purpose of the bill is to establish a state lottery.

Your Committee received testimony in favor of the measure from a representative of the Hawaii Government Employees Association, from representatives of a corporation which manages state lotteries, and from a number of private citizens. Testimony in opposition to the measure was received by your Committee from the United States Attorney for the District of Hawaii, from representatives of the Democratic Party of Hawaii, the Hawaii Council of Churches, the Honolulu Police Department, the Church of Jesus Christ of Latter Day Saints as well as representatives from other religious and secular organizations and a number of private individuals.

Your Committee finds that a state lottery is a form of gambling which has been adopted in thirty-two other states as a means of generating additional revenue for the delivery of important government services to the citizenry.

Your Committee recognizes that since Hawaii is one of the two states which prohibit all forms of gambling, except social gambling, the introduction of a legal, organized game of chance is a serious concern to the community.

At the same time, with Hawaii facing a serious budget shortfall, all potential sources of revenue which have been successful in other states need to be closely examined as difficult decisions are made by this Legislature to resolve the budget crisis.

Therefore, your Committee finds that the concept of a state lottery should be considered by the Finance Committee as one possible alternative source of revenue for the state as that Committee looks for ways to provide essential public services with the least burden upon our taxpayers.

In order to insure the proper control over the lottery, your Committee has amended the measure to establish a seven member lottery commission: three members chosen by the governor and two each by the President of the Senate and the Speaker of the House.

In addition, your Committee has also amended the bill as follows:

1. Provided references to our procurement laws;
2. Changed all references to the "Director" to the "Commission";
3. Changed all references to the "Administrator" to the "Executive Director";
4. Changed all references to a "License" to a "Certificate";
5. Changed all references to the state "Treasury" to the state "General Fund";

6. Deleted all references to Texas law;
7. Removed references to liquor dispenser permits;
8. Left blank references to dates when actions must be taken;
9. Made reference to the state lottery fund instead of the unobligated portion of the general revenue fund; and
10. Corrected the description of the model agreement regarding the division of prizes when there is a group purchase.

Lastly, your Committee made numerous technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2303, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2303, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

(Representatives Case, Chun Oakland, Swain, Kawanakoa and Thielen voted no.)

SCRep. 420 Energy and Environmental Protection on H.B. No. 379

The purposes of this bill are to require motor oil dealers to accept used oil brought in by customers in exchange for the purchase of new oil, to require dealers to post oil recycling information for their customers, and to require dealers to deliver used oil to permitted oil management facilities.

Testimony was presented by the State of Hawaii (Department of Health), the City and County of Honolulu, non-profit recycling and environmental organizations, and retail gasoline dealers.

A great deal of testimony dealt with the unwieldy aspects of consumers returning used oil to dealers when purchasing new (for instance, developing and maintaining tracking systems for purchases and returns; added costs of personnel training and of holding facilities, particularly for small dealers; developing systems to handle case-lot sales that are not directly tied to corresponding amounts of used oil).

The City and County of Honolulu provided estimates that 100,000 oil changes boxes are sold on Oahu each year. Oil that is sent to the island's H-Power facility in those boxes is being converted into electricity. Honolulu is presently embarking on a campaign to promote even greater use of the boxes; the City and County will give away between 50,000 and 75,000 of them with oil purchases during 1995.

While the Neighbor Islands do not have the options that H-Power offers to Oahu's citizens, permanent drop-off sites for used oil returns are already in place in Kauai and Maui Counties. Hawaii County is developing a similar program and is meanwhile sponsoring well-publicized 'drop-off days' that are proving successful.

Since several of the problems that this bill attempts to address have been dealt with by these related measures, your Committee has decided that Sections 1 and 2 are not presently needed. Additionally, Section 3 has been modified to reflect H-Power's ability to burn used oil: on page 3, line 4, the words "or solid waste reduction facility" are deleted.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 379, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 379, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representatives Kanohe, Santiago and Takamine.

SCRep. 421 Energy and Environmental Protection on H.B. No. 1291

The purpose of this bill is to establish a biosecurity committee, appointed and chaired by the Chairperson of the Board of Land and Natural Resources, which provides specific oversight for Hawaii's alien species. The biosecurity committee is charged with identifying alien species that 1) presently exist here or could be introduced; and 2) may pose a threat to Hawaii's natural environment.

The committee is further charged with development of interagency efforts and budget allotments, resolution of conflicting policies, and facilitation of the development of strategies geared toward environmental protection.

Testimony was presented by the State of Hawaii (Department of Land and Natural Resources), the U.S. Department of Agriculture's Research Service, various scientists, a member of the Hawaii Alien Species Action Plan Working Group, and the environmental community.

For the last year, the Alien Species Action Plan Working Group, partially funded by the state legislature, has been meeting to develop a strategy for protecting Hawaii from further damage from invasive species.

Your Committee wishes to recognize and support the ongoing efforts of that group, and has amended this bill accordingly: It has provided for recognition of the group's ongoing efforts, as well as offering the means by which input from entities outside the state government's structure can be integrated.

Section 1 of H.B. No. 1291 has therefore been expanded. Additionally, the biosecurity committee's duties have been expanded in Section 2, and language has been inserted that allows that committee to receive input from additional sources. Specific reference to genetically modified organisms has been deleted, in recognition of the fact that all organisms are genetically modified, whether by evolutionary means or otherwise.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1291, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1291, H.D. 1, and be referred to the Committee on Agriculture.

Signed by all members of the Committee except Representatives Kanoho and Takamine.

SCRep. 422 Energy and Environmental Protection on H.B. No. 1425

The purpose of this bill is to have the State develop a materials recycling facility to receive, separate, and process recyclable materials and to market the resulting products.

Testimony was presented by the State of Hawaii (Department of Health), the regulated and unregulated business communities, a non-profit environmental organization, and private citizens - notably, numerous students from a variety of Oahu's elementary schools.

A notable feature of the hearing for H.B. No. 1425 was the excellent material provided by the student testifiers and the amount of preparation that was obvious in their presentations. They made a very strong case for the economic and ecological benefits that a recycling facility could generate; a discussion of 'ecowatts' (units of environmental value created when a unit of energy is saved) broadened the discussion to include benefits not always obvious in conservation efforts.

Building upon the students' presentations, other testifiers provided a fuller spectrum of information for your Committee to consider: Two primary impediments to the creation of a materials recycling facility in Hawaii exist: 1) Healthy economic returns are almost impossible with mixed materials, since high-value products mixed with low-value ones generate a low-value mix and on-site separation costs would be prohibitive; and 2) inter-island transportation costs for moving recyclable materials would be equally prohibitive.

Further discussion centered around curbside, or at-source solid waste separation, which may be more viable than a materials recycling facility in an island state.

Your Committee recognizes the necessity of mandating recycling efforts in Hawaii and supports the Department of Health's contention that it requires an exempt position for a coordinator to further those efforts.

Mindful of the efforts and ethic that generated H.B. No. 1425, your Committee has deleted its provisions and replaced them with others that create an exempt position for a recycling coordinator within the Department of Health.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1425, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1425, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Santiago and Takamine.

SCRep. 423 Energy and Environmental Protection on H.B. No. 1658

The purpose of this bill is to authorize issuance of a special purpose revenue bond to assist Pacific Controls, Inc. in establishing a medical waste incineration and disposal facility.

Testimony was offered by the applicant, Pacific Controls, Inc. (PCI); by the West Loch Estates Community Association; a member of the State House of Representatives; and a concerned citizen. Additional information was provided by the State of Hawaii (Department of Health and Office of the Attorney General).

Pacific Controls, Inc., which holds permits from the Department of Health to incinerate medical waste at a Waipahu location, has chosen to build their facility instead in the Campbell Industrial Park, due to public outcry regarding the Waipahu location. In order to finance the proposed change in location, PCI is seeking interest-free bonds to cover the increase in their expenses from \$2 million to an anticipated \$6 million.

Concern has been raised in the community that the facility would need to provide incineration services for a wide variety of other products as well, such as solvents, paints, cooking oils, and many others, in order to develop an economically viable enterprise.

This was, in fact, PCI's original intent, as stated in its correspondence with the Department of Health in August of 1994. However, because citizens' concerns have been so great due to the possibility of toxin production when many of those products are incinerated, PCI is modifying its focus to deal only with medical waste and 'foreign waste,' a term which characterizes solid waste generated by airplanes and ocean-going vessels.

A further topic of discussion dealt with the possibility of attaching permanent, specific conditions to the permit, if it were granted, in order to assure that any future owners and operators of PCI would abide by the same restraints.

Your Committee decided to pass H.B. No. 1658 with detailed amendments:

- (1) In allowing the issuance of the special purpose revenue bonds which are directly tied to PCI's move to Campbell Industrial Park, the first conditions are that: a) an informational briefing must be held to inform the citizenry of all aspects of the facility's operations; and b) that briefing must be followed by a public hearing in order to garner as much additional input as possible.

- (2) The Department of Health must cite the language embodied in this legislation within the body of the permit itself, in order that the Legislature's conditions not be separated from the permit.
- (3) Pacific Controls, Inc. will be allowed to incinerate foreign waste.
- (4) Pacific Controls, Inc. will not be allowed to incinerate either specialty waste or hazardous waste.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1658, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1658, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative Thielen voted no.)

SCRep. 424 Energy and Environmental Protection on H.B. No. 1977

The purpose of this bill is to conform state water pollution control law to federal requirements. It also authorizes the Director of Health to regulate wastewater and its by-products.

Testimony was provided by the State of Hawaii's Office of State Planning and Department of Health. Further information was provided by the Office of the Attorney General.

Information received by your Committee was favorable to this bill's passage. Questioning dealt with a concern that state laws might change with future changes in relevant federal laws. Having been reassured by the Attorney General's office that passage of H.B. No. 1977 would tie it specifically to federal laws in effect at the time of its passage, your Committee chose to pass this bill in unamended form.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1977 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 425 Energy and Environmental Protection and Transportation on H.B. No. 72

The purpose of this bill is to require the Department of Transportation (DOT) to spend a percentage of its total moneys available each fiscal year, to assure environmental restoration and remediation where degradation has occurred as a result of DOT activities.

Testimony was presented by the State of Hawaii (Department of Transportation, Office of State Planning), private industry, and individual citizens.

Discussion focussed on the method by which environmental remediation funding levels are currently assessed by the DOT. Presently the Department determines remediation funding on a case-by-case basis; no formalized mechanism exists to assure that environmental restoration is adequately covered in individual projects' budgets. Some discussion took place about a 1% environmental remediation assessment; no specific percentage was determined by your Committee, however.

DOT personnel expressed agreement with this bill's intent, and agreed to submit to your Committees, in writing, an assessment of their Department's current processes for environmental analysis and remediation.

Your Committees refer you to closely related companion legislation, H.B. #73, H.D. No. 1, "Relating to Environmental Protection in Transportation." The companion bill's committee report discusses development of a check-list for the Department to use in assuring environmental protection while carrying out its duties. The two bills, taken together, will go far toward assuring protection of our fragile environmental resources.

Your Committee members were intrigued by testimony that indicated that the Department of Transportation may need statutory language to exert authority and allocate funds in order to carry out adequate environmental protection, and chose to pass this measure unamended to your Committee on Finance.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 72 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Isbell, Kanoho, Nakasone, Takamine, Ward and Yoshinaga.

SCRep. 426 Energy and Environmental Protection and Transportation on H.B. No. 398

The purpose of this bill is to prohibit the Director of Transportation from expending funds to acquire pesticides for maintenance of federal or state highways without prior written consent of the director of health. It further allows the Director of Health to impose conditions relating to the use of those pesticides in order to reduce their unnecessary and excessive use on Hawaii's highways.

Testimony was presented by the State of Hawaii (Department of Transportation, the Office of State Planning, and the Department of Health), by the City and County of Honolulu, and by the environmental community.

In presenting its testimony, the Department of Transportation granted that pesticide misuses by their department may have occurred in the past, but that they have instituted a training program designed to prevent similar errors from happening in the future.

Concern was expressed by the environmental community that, although the active ingredients of commonly used pesticides (specifically, "Round-up") are considered relatively safe, the inactive ingredients can be very harmful, and point to the need for reduced and greatly restricted use of pesticides in general.

Testimony revealed that alternatives to pesticides do exist (for instance, the hot-water spray method), but that they have not been actively considered. This is a matter of some concern to the Department of Health, since the 1991 Legislature, with HCR No. 254 H.D.1, S.D.1, convened the "Roadside Spraying Task Force" whose recommendations have neither been examined nor enacted by the state's Department of Transportation.

Because that task force devoted considerable time and expertise to the issue of roadside spraying, your Committees felt that the state's various departments should take its findings and recommendations seriously.

Therefore your Committees have amended H.B. No. 398 to direct the Director of Transportation to oversee an advisory panel whose members include representatives of the Departments of Health, Transportation, Land and Natural Resources, and Agriculture, and whose task is to initiate implementation of the task force recommendations.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 398, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 398, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Isbell, Kanoho, Nakasone, Takamine, Ward and Yoshinaga.

SCRep. 427 Energy and Environmental Protection and Transportation on H.B. No. 491

The purpose of this bill is to create state-operated auto body recycling yards on each of the inhabited islands; under provisions of this bill, vehicle owners could register and store their unusable vehicles and have spare parts sold from them. Half the proceeds would go into a revolving fund established for highway beautification and abandoned vehicle disposal. The Department of Land and Natural Resources would determine what state-owned sites would be appropriate for such recycling yards; if no sites are available, land would be leased from private land owners.

Testimony was presented by the State of Hawaii (Board of Land and Natural Resources) and by a private auto body recycling firm's representative.

A need was expressed by the Department of Land and Natural Resources for an alternative to the auto disposal system that currently exists. Their representative did, however, voice concerns that available state lands might be inappropriate choices due to their being mostly ceded lands. An additional concern was raised that the Clean Hawaii Center, the recycling entity which would be charged with carrying out the mandate of this bill, might not be able to afford and support the operations of a recycling yard.

Your Committees wish to indicate their concern that auto recycling yards not be designed to compete with private businesses, and invite further examination of these issues. The Committees' decision is to pass H.B. No. 491, in an unamended form, to the Committee on Finance for additional consideration.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 491 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Isbell, Nakasone, M. Oshiro, Takamine, Ward and Yoshinaga.

SCRep. 428 Water and Land Use Planning on H.B. No. 937

The purpose of this bill is to make it unlawful to interfere with public access to a public beach, shore, park, trail, or other public recreational area by adding a new section to Chapter 711, Hawaii Revised Statutes. The new section would make such interference a petty misdemeanor and would carry a maximum fine of \$1,000 and up to six months in jail.

Your Committee received testimony in support of this bill from the Board of Land and Natural Resources and a concerned citizen.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 937 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 429 Water and Land Use Planning on H.B. No. 1238

The purpose of this bill is to maintain the integrity of two current statutory mandates relating to hunter education by ensuring that these requirements are administered by regular, full-time employees within the Department of Land and Natural Resources (DLNR). This bill converts five temporary positions to permanent civil service positions.

Your Committee received testimony in support of this bill from the Hawaii Rifle Association and the President of Koolau Agricultural Co., Ltd..

The DLNR submitted testimony in support of the intent of the bill. However, the DLNR was concerned that the conversion of the five positions to civil service status would affect the DLNR's position ceiling limit and negatively impact other programs.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1238 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, McMurdo and Tarnas.

SCRep. 430 Water and Land Use Planning on H.B. No. 1486

The purpose of this bill is to allow private and commercial shooting preserves a limited exemption from the State's hunting license requirements.

Currently, certain out-of-state hunters are not allowed to hunt in shooting preserves, because they do not meet the State's requirements for a mandatory hunter education certificate. However, these same hunters would be eligible to hunt on shooting preserves in other states without being required to purchase a hunting license. This bill would authorize an out-of-state hunter to take game birds on a designated shooting preserve without a hunting license. Under this bill, the license and hunter education requirements would be replaced by a flat \$30 daily fee which would be remitted to the State. As a result, the State's requirement for hunting in a shooting preserve would be consistent with other states.

The Department of Land and Natural Resources (DLNR) and the Ulupalakua Hunting Club supported passage of this bill.

Upon further consideration, your Committee has incorporated DLNR's recommendations by:

- (1) Replacing the \$1 fee with language giving DLNR the authority to set the permit fee;
- (2) Replacing the \$30 daily fee with broader language that ties the fee to the current nonresident Hawaii hunting license;
- (3) Shortening the June 30, 2015, repeal date to June 30, 2005. A ten-year period should be able to accommodate most out-of-state hunters who have not met the hunter education requirements in their own state, because they received a "grandfather" exemption; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1486, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1486, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and McMurdo.

SCRep. 431 Water and Land Use Planning on H.B. No. 2019

The purpose of this bill is to repeal the establishment of the industrial park special fund within the Department of Land and Natural Resources (DLNR).

Your Committee received testimony in support of this bill from a representative of DLNR testifying that the program allows the Department to work with the private sector in developing industrial parks. However, due to the large budget deficits projected in the Administration's biennium budget, all revenue sources are being tapped.

As affirmed by the record of votes of the members of your Committee on Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2019 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, McMurdo and Tarnas.

SCRep. 432 Labor and Public Employment on H.B. No. 925

The purpose of this bill is to provide retirants or pensioners who have been retired for a minimum of thirty-five years a monthly bonus of \$14.00 for each year of service.

Your Committee finds that this measure would help the more senior retirants and pensioners who are in need of financial assistance. This bonus will provide the greatest help to those who have been retired longest and, because their base pensions are low in comparison to the base pensions of more recent retirees, the overall cost to the State will be comparatively low.

The Retirees Unit, HGEA/AFSCME Local 152 and the Coalition of Hawaii State/Counties Retirees submitted comments in support of this measure. The Employees' Retirement System submitted comments on this measure.

Your Committee made technical, nonsubstantive amendments to correct a drafting error in this bill.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 925, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 925, H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 433 Tourism on H.B. No. 2273

The purpose of this bill is to levy the transient accommodations tax on cruise ships by amending the definition of transient accommodations in Chapter 237D, Hawaii Revised Statutes, to include living quarters on a marine vessel in state waters.

Your Committee received testimony in support of this bill from the Department of Taxation, testimony in opposition from American Hawaii Cruises, and comments from the Tax Foundation of Hawaii.

Your Committee finds that concerns exist as to the financial impact of this proposal. Although this bill would apply to ships traveling to ports outside of the state, the Department of Taxation has stated that limits on their resources might not allow them to apply the law evenly, and that shipping lines with shorter or less frequent stays might not generate enough revenue to justify collection efforts.

Although questions were raised as to the fairness of imposing the transient accommodations tax on hotel rooms in Hawaii and not on cruise ship accommodations, the only inter-island cruise line operating in Hawaii stated that it also accounts for 57,000 room nights ashore.

Information from the Department of Taxation indicates that the states of Alaska, California and Florida do not tax cruise ship accommodations. By applying the proposed tax, Hawaii would place cruise ships serving Hawaii at a disadvantage relative to their international competitors by making them the only lines to bear the burden of an accommodations tax.

In order to allow greater time to resolve questions on feasibility and other issues, your Committee believes that this matter warrants continued discussion.

Your Committee revised the bill by making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2273, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2273, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Lee.

SCRep. 434 Agriculture on H.B. No. 1838

The purpose of this bill is to provide for the timely adoption in Hawaii's poultry inspection rules of the federal changes to poultry inspection regulations.

Your Committee finds that in order to comply with the Federal Poultry Products Inspection Act, the Board of Agriculture adopted the Federal Poultry Inspection Regulations as the rules governing the inspection of poultry under the Hawaii Poultry Inspection Act.

The Department of Agriculture submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1838 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 435 Agriculture on H.B. No. 1839

The purpose of this bill is to provide for the timely adoption in Hawaii's meat inspection rules of the federal changes to the meat inspection regulations.

Your Committee finds that to comply with the Federal Meat Inspection Act, the Board of Agriculture adopted the Federal Meat Inspection Regulation as the rules governing the inspection of meats under the Hawaii Meat Inspection Act.

The Department of Agriculture submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1839 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 436 Agriculture on H.B. No. 1841

The purpose of this bill is to clarify the Aquaculture Loan Program to allow the Department of Agriculture to make direct loans to qualified aquaculturalists who are unable to obtain sufficient funds at reasonable rates from other sources.

Your Committee notes that this is a housekeeping bill. Currently, state law does not clearly state the authority to make direct loans, the rate of interest on the loans, and the requirement that qualified aquaculturalists must first seek credit from other sources.

Comments on the bill was received from the Department of Agriculture.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1841 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 437 Agriculture on H.B. No. 2008

The purpose of this bill is to authorize the Department of Agriculture (DOA) to establish administrative rules to issue licenses to qualified aquaculturalists.

Your Committee notes that the licenses would allow qualified aquaculturalists to:

- (1) Fish, possess, rear, and sell aquatic life prohibited by closed season, minimum size, or bag limit, provided that the aquaculturalist rears or reared the aquatic life in an aquaculture facility; and
- (2) Possess, sell, and offer for sale aquatic life prohibited by a closed season, provided that the aquatic life was reared by a licensed, qualified aquaculturalist in an aquaculture facility.

Testimony in support of this bill was received from the Department of Land and Natural Resources, the Director of the Hawaiian Fishpond Revitalization Project, and several private citizens from the aquaculture industry.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2008 and recommends that it pass Second Reading and be referred to the Committee on Ocean Recreation and Marine Resources.

Signed by all members of the Committee.

SCRep. 438 Agriculture on H.B. No. 2107

The purpose of this bill is to establish a Coffee Inspection Revolving Fund, including start-up moneys, to be used by the Department of Agriculture (DOA) for inspection services in ascertaining and certifying the grade, classification, quality, and condition of fresh and processed coffee.

Your Committee notes that reductions in DOA staffing and program funding have precluded the DOA from providing green bean coffee certification on a timely basis. It is your Committee's understanding that this bill would allow DOA to provide certification service, with the costs of the program to be incurred by the coffee industry through fees that coffee farmers and processors are assessed from having their coffee inspected and certified by the DOA. The Coffee Inspection Revolving Fund would provide the moneys needed to pay for costs relating to coffee inspection services.

The Kona County Farm Bureau submitted testimony in support of the bill. The DOA testified in support of establishing the Coffee Inspection Revolving Fund but indicated its opposition to the appropriation due to the current fiscal condition of the State. Lion Coffee and Superior Coffee and Foods, Hawaii submitted testimony in opposition to the bill.

After extensive discussion, your Committee amended this bill by:

- (1) Changing the appropriation sum from \$35,000 to \$1 to facilitate further discussion regarding the financing aspect of this bill;
- (2) Specifying the DOA as the expending agency; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2107, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 439 Agriculture on H.B. No. 1133

The purpose of this bill is to issue up to \$5,000,000, in special purpose revenue bonds to assist Kerr Pacific Corp., dba HFM (Hawaiian Flour Mills) for the establishment of a feed milling operation.

Your Committee believes that the establishment of a feed milling operation would assist in strengthening and encouraging diversified agricultural opportunities and ventures in the state. Your Committee further believes that the feed milling operation would enhance the livestock industry's viability by having a feed source in Hawaii.

Supporting testimony was received from the President and Chief Executive Officer of HFM, the President of the 50th State Dairy Farmers Co-op, and a private citizen. The Department of Agriculture submitted testimony in support of the intent of the bill.

Upon consideration, your Committee has amended this bill by making technical, nonsubstantive amendments to correct an inconsistency and for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1133, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1133, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 440 Agriculture on H.B. No. 1378

The purpose of this bill is to appropriate funds for the Anthurium Breeding for Novelty and Disease Resistance Project at the University of Hawaii-Manoa.

Your Committee notes that despite efforts to curb the spread and severity of anthurium bacterial blight, anthurium production and sales continued to decline due to the damaging effects of this disease. Your Committee recognizes the harmful effects of anthurium bacterial blight to the state's largest cut flower industry. It is your Committee's belief that further loss of anthuriums to this disease would cripple the Big Island's economic and employment base.

Supporting testimony was received from the Hawaii Anthurium Industry Association. Comments on the bill were submitted by the University of Hawaii-Manoa, College of Tropical Agriculture and Human Resources.

Your Committee amended this bill by:

- (1) Changing the expending agency from the University of Hawaii to the Governor's Agriculture Coordinating Committee; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1378, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1378, H.D. 1, and be referred to the Committee on Higher Education and the Arts.

Signed by all members of the Committee.

SCRep. 441 Agriculture on H.B. No. 1523

The purpose of this bill is to appropriate funds to control plant pests.

Your Committee recognizes that plant pests are responsible for large losses of agricultural and horticultural crops. Among other things, plant pests also crowd out native vegetation, prevent regeneration, and kill other plants. Your Committee notes that Hawaii's natural environment has suffered from the harmful effects of these weeds and pests, and believes that efforts should continue to combat and control the spread of these harmful plant pests.

Your Committee notes the sums recommended by the Department of Agriculture to control plant pests, as follows:

- (1) \$22,000 for fiscal year 1995-1996 for research on the rust virus to control ivy gourd; and
- (2) \$88,500 for each year of the 1995-1997 fiscal biennium for research on biological control for melastome plant pests.

Testimony in support of the bill was received from the Hawaii Association of Conservation Districts; the Chair of the USDA Soil Conservation Service's Melastome Action Committee of the Tri-Isle Resource, Conservation, and Development Council, Inc.; and several private citizens. The Governor's Agriculture Coordinating Committee indicated its support of the bill's intent, provided that the bill does not adversely impact the state's limited fiscal resources.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1523 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 442 Agriculture on H.B. No. 1615

The purpose of this bill is to appropriate funds for each year of the 1995-1997 fiscal biennium, to:

- (1) Continue research on the behavior of aphids; and
- (2) Obtain potential biological control agents from foreign countries to combat the aphid.

Your Committee is aware of the detrimental effect of the yellow sugarcane aphid to the state's pastures, particularly to forage grasses and the Kikuya grass, which is a major source of cattle forage. It is your Committee's belief that this bill is a decisive step in finding a cure to combat this harmful pest.

Testimony in strong support of the bill was received from the Hawaii Association of Conservation Districts. Your Committee also received comments from the University of Hawaii-Manoa, College of Tropical Agriculture and Human Resources. The Department of Agriculture submitted testimony in support of the intent of the bill but indicated its opposition to the bill's passage due to the state's current fiscal condition.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1615 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 443 Agriculture on H.B. No. 1842

The purpose of this bill is to repeal the law that requires the Department of Agriculture to make loans to independent sugar growers.

Your Committee recognizes that this law was enacted to assist independent sugar growers with supplemental direct loans to cover:

- (1) Shortages for repayment of loans made by commercial lending institutions for crop production expenses; and
- (2) The portion of loans required for production expenses that is not available from commercial lending institutions without collateral other than the crop itself.

With the continuing decline of the sugar industry, crop financing from private lenders has decreased. With no independent sugar growers in the state, your Committee believes that repealing this requirement is appropriate.

The Board of Agriculture submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1842 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 444 Agriculture on H.B. No. 1843

The purpose of this bill is to allow the Department of Agriculture (DOA) the flexibility to transfer funds between its loan programs on a continuing basis. The funds affected by this bill are:

- (1) The Agricultural Loan Revolving Fund;
- (2) The Agricultural Products Revolving Fund; and
- (3) The Aquaculture Loan Revolving Fund.

Currently, the authority to transfer funds in Sections 155-14 and 219-4, Hawaii Revised Statutes, expires on June 16, 1995. This bill deletes these "sunset" provisions.

According to DOA's testimony, continuation of this authority to transfer funds will benefit the Aquaculture Loan Revolving fund which does not carry an appreciable amount of funds in its account.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1843 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 445 Agriculture on H.B. No. 1844

The purpose of this bill is to increase the effectiveness of the State's class "C" agricultural loans under Chapter 155, Hawaii Revised Statutes.

Currently, the law allows for a deferment of a loan's principal amount for up to five years for crops taking 18 months or longer to mature. The problem is that in most cases, payment on the interest, and not the principal, will initially account for the major portion of these loans. As a result, a deferment of the principal amount has minimal benefit.

This bill will allow for a true deferment of payment by authorizing a deferment of interest payment for up to two years.

The Department of Agriculture offered comments on this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1844 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 446 Agriculture on H.B. No. 1846

The purpose of this bill is to simplify the calculation and payment of insurance fees for insured agricultural and aquacultural loans.

This bill proposes to accomplish this by:

- (1) Changing the method of calculating the insurance fees to a one time fee of two percent on the principal amount of the loan at the time the loan is booked; and
- (2) Allowing private lenders of these types of loans to pass on the insurance fees to the borrower as a cost for the loan.

Currently, insurance fees for agricultural and aquacultural loans are paid periodically on the unpaid principal balance. This method is cumbersome for private lenders to calculate and for the Department of Agriculture to monitor.

In addition, private lenders are not allowed to pass on the cost of insurance fees, and yet, must remain competitive on rates. The ability to pass on insurance fees to borrowers will enable private lenders to have the same return on comparable loans without resorting to charging a higher rate of interest.

Your Committee notes that in order to simplify the collection of insurance fees, a one time fee is proposed as opposed to an annual fee based on the unpaid balance. This would simplify the calculation and collection of fees.

Your Committee notes that federal government lenders such as the Small Business Administration also charge a one time insurance fee and allow private lenders to pass on the fees to the borrowers.

The Chair of the Board of Agriculture submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1846 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 447 Agriculture on H.B. No. 2033

The purpose of this bill is to repeal the general excise tax exemption on the sale of agricultural, meat, and fish products grown, raised, and caught in Hawaii when sold to a person or common carrier engaged in interstate or foreign commerce, or both, and the products are consumed outside of the state by the person, crew, or passengers on the shipper's vessel or airplane.

Because the aforementioned exemption favors locally grown, raised, or caught products over the same kinds of products imported into the state, the exemption was found to be constitutionally discriminatory by the Hawaii Tax Appeal Court, and subsequently confirmed by the Hawaii Supreme Court.

Testimony in favor of this bill was submitted by the Department of Taxation. The Tax Foundation of Hawaii submitted comments on the measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2033 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 448 Education on H.B. No. 757

The purpose of this bill is to allow the HFDC to plan, develop, construct, and finance educational facilities and related infrastructure ancillary to the needs of its housing projects.

Testifying in support of the intent of the bill was the Department of Education. However, the DOE believes that the planning, development, and construction of school facilities should be carried out by the Department of Accounting and General Services or by owner/developers with the involvement and approval of the DOE.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 757 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee, Takamine and Yonamine.

SCRep. 449 Education on H.B. No. 1415

The purpose of this bill is to establish a school-to-work opportunities program, to assist students in making the transition from school to a good first job and a high skill, high wage career track.

Your Committee received testimony in support of this bill from the State Director for Vocational Education and from the Training Coordinator for the Hawaii Sheet Metal Workers Joint Apprenticeship and Training Committee. The Department of Education and the Department of Labor and Industrial Relations (DLIR) submitted testimony in support of the intent of this bill. However, DLIR had concerns regarding the implementation of the school-to-work concept, including their contention that state funds are not required at this time for administrative costs because of the availability of federal grants.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1415 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Shon, Takumi and Yonamine.
(Representative Pepper voted no.)

SCRep. 450 Education on H.B. No. 1800

The purpose of this bill is to waive civil liability of participating employers when a vocational education student works with a private business as part of the student's curriculum.

Hawaiian Electric Company, The West Oahu Employment Corporation, the Department of Education-Leeward District, and the Hawaii Joint Apprenticeship Committee for the Sheet Metal Industry submitted testimony in support of this measure. The Department of Education, the Department of Labor and Industrial Relations, and the State Director of Vocational Education submitted testimony in support of the intent of this measure.

Your Committee notes that the standard "wilful misconduct" should be reviewed by the Judiciary Committee.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1800 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Shon, Takumi and Yonamine.

SCRep. 451 Education on H.B. No. 2299

The purpose of this bill is to appropriate funds for fiscal biennium 1995-1997 for the Hawaii Young Scholars Program to support participating schools and to establish a support network between the Department of Education and the University of Hawaii.

The University of Hawaii, Department of Education, and the Principal of Princess Miriam K. Likelike Elementary School, a participating school in the Young Scholars Program all submitted testimony in support of the measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2299 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee and Takamine.

SCRep. 452 Legislative Management on H.B. No. 1579

The purpose of this bill is to create the Hawaii Information Congress '95 Task Force (Task Force) to, among other functions, recommend how the development of a new industry in Hawaii based on information and telecommunications can be facilitated.

The Department of Education submitted testimony expressing agreement that advances in the State's telecommunication capabilities will positively impact schools and increase the delivery of new services.

The Public Utilities Commission (PUC) submitted testimony in strong support of the bill. According to the PUC, the bill is a result of the Hawaii Information Congress '95 which provided a forum for identifying end-user needs and building consensus for initiatives in telecommunications and information services. The PUC also indicated that expenditures from the PUC special fund could be made to support the activities of the Task Force.

Your Committee agrees that funding from the PUC special fund is appropriate since the responsibilities of the PUC encompass the desired ultimate results of the Task Force. However, the PUC can administratively direct funds to support the Task Force.

Your Committee also discussed the composition of the Task Force and the possibility of broadening its functions. Upon consideration of the testimony and upon full and free discussion, your Committee has amended the bill as follows:

- (1) Specifying that, of the fifteen members of the Task Force, five should be appointed by the Governor, five by the Senate President, and five by the Speaker of the House of Representatives, rather than all fifteen being appointed by the Governor;
- (2) Encouraging representation from the various named interest groups rather than requiring it, and including additional groups;
- (3) Adding another purpose of the Task Force, that of determining the level of demand, timing, and user capability in the state;
- (4) Requiring the Task Force to make recommendations to customize the telecommunications systems in Hawaii to meet the needs of business and government;
- (5) Removing the appropriation; and
- (6) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1579, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1579, H.D. 2.

Signed by all members of the Committee except Representatives Say, Thielen and Ward.

SCRep. 453 Health on H.B. No. 288

The purpose of this bill as amended is to require employers with two or more employees to adopt a smoking policy which will accommodate employees who smoke and those who do not smoke. Certain employers are exempt from this provision. This bill also prohibits smoking in State workplaces.

This bill received strong support from the Department of Health, American Cancer Society, American Lung Association, and from many other organizations. The Committee agrees with the testimony received that all employees should be protected from the hazards of second-hand smoke and amended this bill so that the provisions apply to all employers who have two rather than five employees.

The Committee, however, understands that the provisions of this bill as introduced would create major problems for most hotels. Consequently, the Committee amended the bill to create an exemption for hotel rooms.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 288, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 454 Health on H.B. No. 2076

The purpose of this bill is to allow the Department of Health to establish and require the use of a uniform standard claims format and to establish a core public health data set for health assessment, policy development, and consumer use.

The Department of Health and the Chamber of Commerce of Hawaii submitted testimony in support of this measure. Kaiser Permanente and the Department of Commerce and Consumer Affairs submitted testimony in support of the intent of this measure.

Your Committee believes that uniform data collection is important for cost control purposes. In addition, collecting a core public health data set will produce the type of information necessary for making decisions regarding the future of our health care system, and for providing information from which consumers can make more informed health decisions.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2076 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Chun Oakland and Stegmaier.

SCRep. 455 Health on H.B. No. 2191

The purpose of this bill is to make appropriations for fiscal years 1995-1996 and 1996-1997, as may be necessary for HIV and AIDS education for Kauai, and the purchase of vaccines for the immunization and hepatitis B programs.

Until recently, there was a full-time HIV/AIDS education position on Kauai. This has recently been reduced to a part-time position.

The Committee believes that the full-time position is essential and that this bill responds to a justifiable community need.

Additional funds are needed for the vaccine program to ensure that all those who require such vaccinations are able to obtain them.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2191 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chun Oakland, Kawakami and Stegmaier.

SCRep. 456 Health on H.B. No. 1386

The purpose of this bill is to provide a penalty for persons rendering services for a fee without having a valid license.

The Department of Health submitted testimony in support of this bill. The Committee amended the bill with an amendment proposed by the Department to make the penalty apply to all unlicensed facilities and not merely to health care facilities.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1386, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1386, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representatives Saiki, Stegmaier and Anderson.

SCRep. 457 Ocean Recreation and Marine Resources on H.B. No. 255

The purpose of this bill is to require the State to indemnify registered outrigger canoe paddlers from liability in any civil action for personal injury arising out of and in the course of duties performed as part of the paddler's participation in races for the paddler's canoe racing association.

Testimony in support of this bill was received from the Hawaiian Canoe Racing Association and vice-president of Moku o Hawaii and various paddlers.

Other testifiers raised concern about the indemnification of a paddler who was negligent or acted with a malicious or improper purpose.

Your Committee believes that local canoe clubs perform a valuable purpose to the people of Hawaii in fostering an environment that promotes cooperative involvement, physical activity and family-style events. Furthermore, it is becoming apparent that escalating insurance costs are putting canoe clubs in danger of extinction.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 255 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 458 Ocean Recreation and Marine Resources on H.B. No. 1786

The purpose of this bill is to prohibit the fishing or selling of onaga and ehu during July through October in the Main Hawaiian Islands. Documentation will be required for onaga and ehu when the product comes from the Northwestern Hawaiian Islands and from foreign markets to Hawaii.

Your Committee received testimony from the Department of Land and Natural Resources, Western Pacific Management Council, the United Fishing Agency Ltd., the Hawaii Fishermen's Foundation, Suisan Company, Tamashiro Market, and various fishermen.

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

- (1) Directing the Department of Land and Natural Resources to prepare and implement a fishery management plan;
- (2) Setting a date for the completion of the plan; and
- (3) Establishing conditions if the Department of Land and Natural Resources fails to draft a plan as stipulated in section 2.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1786, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1786, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 459 Ocean Recreation and Marine Resources on H.B. No. 2102

The purpose of this bill is to appropriate moneys for the development of an ornamental fish, plant, and other products industry in Hawaii.

Testimony in support of this measure was received from the Department of Land and Natural Resources, University of Hawaii Sea Grant Extension Service, Hawaiian Marine Enterprises and Hawaiian Seafood Gardens, Worldwide Aquatics, Hanohano Enterprises, Inc., Miles Communications Group, Inc., and numerous citizens.

Your Committee recognizes that the ornamental plant and animal aquaculture industry has the potential to become a vital long-term industry in the State. This bill would provide current and new farmers with funding to expand the ornamental industry with greater technology transfer and technical assistance. This would lead to a sufficient increase in revenue and resources for Hawaii.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2102 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nekoba.

SCRep. 460 Public Safety and Military Affairs on H.B. No. 252

The purpose of this bill is to require the Department of Land and Natural Resources to designate one slip in each small boat harbor for a Coast Guard auxiliary vessel that engages in search and rescue.

Testimony supporting this measure was received from the Chairperson of the Board of Land and Natural Resources.

While your Committee is mindful of the limited amount of slips available in small boat harbors, as well as the long waiting list to obtain a slip, public safety concerns in some areas of the state warrant the implementation of this bill.

Upon consideration, your Committee has amended this bill by allowing the designation of a slip for a Coast Guard auxiliary vessel to be at the discretion of the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 252, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 252, H.D. 1, and be referred to the Committee on Ocean Recreation and Marine Resources.

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

SCRep. 461 Education on H.B. No. 907

The purpose of this bill is to appropriate funds to the Department of Education for textbooks, equipment, and supplies for public school programs.

The Department of Education submitted testimony in support of the intent of this measure, but expressed concern that this bill not replace the Department's current priorities as indicated in the Board of Education's 1995-1997 biennium budget.

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

- (1) Clarifying that the Department of Education in preparing the budget, and the Board of Education in approving the budget shall:
 - (A) Examine whether textbooks should be defined as equipment; and
 - (B) Take into consideration the inflationary and replacement factors of textbooks, equipment, and supplies for public school programs;
- (2) Deleting the appropriation provision; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 907, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 907, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

SCRep. 462 Education on H.B. No. 979

The purpose of this bill is to enhance classroom learning by:

- (1) Establishing a program within the Department of Education to make low and no-interest loans to eligible families to purchase home personal computers for their children's education;
- (2) Establishing the Home Personal Computer Revolving Fund; and

(3) Establishing a Computer Recycling Center.

The Department of Education submitted testimony in support of the intent of this measure.

Your Committee is aware of the Department of Education's limited resources to implement and administer a program to make low and no-interest loans. Upon careful consideration, your Committee has amended this bill by deleting the general substance and inserting language to establish a Computer Re-use Program for the enhancement of classroom learning within the Department of Education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 979, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee, Takamine, Takumi and Yonamine.

SCRep. 463 Education on H.B. No. 1328

The purpose of this bill is to ensure high quality education and effective instruction of Hawaii's students by establishing a Teaching Special Fund to:

- (1) Acquire updated teaching materials; and
- (2) Hire teachers.

The Department of Education submitted testimony in support of the general intent of this measure.

Upon careful consideration, your Committee has amended this bill by deleting the substance and inserting the general language reflected in H.B. No. 2300, H.D. 1, which was earlier reported out of your Committee on Education. As amended, the purpose of this bill is to initiate steps in working towards a disciplined school environment by:

- (1) Making it unlawful for any person sixteen years or older to possess or threaten to use a firearm or other dangerous weapon on public school property;
- (2) Authorizing a principal to suspend or expel for a period of time determined by the principal any student who:
 - (A) Physically harms or threatens another person;
 - (B) Has damaged or stolen property belonging to another person or to the school; or
 - (C) Otherwise poses a danger to others;
- (3) Requiring all parents or guardians of school-age children to attend adult and community education programs pursuant to a court order; and
- (4) Having the option of suspending the child's driving privileges for one year.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1328, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takamine.

SCRep. 464 Education on H.B. No. 2151

The purpose of this bill is to permit the Board of Education district candidates to skip the primary election if there are only two candidates running for a single year.

In a memorandum from the Lieutenant Governor's Office, it was stated that under the current statutory requirements, if only one qualified candidate files for a seat requiring district residency, he or she is elected outright at the close of filing. However, if two candidates file for a seat requiring district residency, the two candidates are required to run against each other in both the primary and general elections. In the past two election cycles, at least one set of Board of Education district candidates have had to go through the redundant exercise of running against each other twice--the first time to no real effect. Voters find this process confusing and have called the Lieutenant Governor's Office and the offices of the County Clerks to complain. Supporting the measure, the Association of Clerks and Election Officers see no significant interest in requiring redundant elections.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2151 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Lee, Takamine, Takumi and Yonamine.

SCRep. 465 Hawaiian Affairs and Housing on H.B. No. 237

The purpose of this bill is to establish the Interdisciplinary Training and Support Program to educate, advise, train, support, and assist prospective and existing nonprofit housing developers.

The Rental Housing Trust Fund (RHTF) supported the intent of the bill. The Affordable Housing Alliance submitted testimony in support of the bill.

Nonprofit housing corporations (nonprofits) have a great potential to increase the availability of affordable housing in Hawaii. These nonprofits are motivated by product rather than profit. Moreover, they are able to take advantage of government programs that enable them to undertake affordable housing projects that for-profit developers would not.

However, many community groups interested in affordable housing development lack the expertise needed to incorporate. Many groups that have incorporated lack the technical knowledge needed to successfully develop affordable housing. As a consequence, the potential of nonprofits to develop affordable housing in Hawaii has not been fully realized. The intent of this bill is to expand the capacity of community groups and non-profits so that they may more fully realize their potential.

While supporting the intent of the bill, RHTF proposed a number of amendments to it. Upon consideration of these amendments, your Committee has amended the bill as follows:

- (1) Made permanent rather than temporary the Inter-Disciplinary Training and Support Program;
- (2) Deleted the Inter-Disciplinary Training and Support Work Group (Work Group);
- (3) Assigned to RHTF Commission rather than the Work Group training functions of the program;
- (4) Deleted the mandate that the database to be established by the RHTF Commission is to be maintained regardless of the termination of the Work Group;
- (5) Appropriated funds from RHTF rather than from the general fund;
- (6) Inserted the amount of \$50,000 as the appropriation in each year of the biennium;
- (7) Specified that the appropriation is for the Interdisciplinary Training and Support Program and the information database;
- (8) Specified that the appropriation is to be expended by the Department of Budget and Finance for "the purposes of this Act" rather than for the program and database; and
- (9) Made technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 237, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Stegmaier and Kawanakoa.

SCRep. 466 Hawaiian Affairs and Housing on H.B. No. 552

The purpose of this bill is to allow financial services loan companies to charge nonrefundable discount, points, and loan origination fees on consumer loans secured by a mortgage on the leasehold interest of Department of Hawaiian Home Lands (DHHL) lessees.

The DHHL and the Hawaii Financial Services Association submitted testimony in support of this measure. The Department of Commerce and Consumer Affairs submitted testimony deferring to the DHHL as to the merits of this measure.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 552 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Kawakami and Stegmaier.

SCRep. 467 Hawaiian Affairs and Housing on H.B. No. 566

The purpose of this bill is to develop strategies to address the needs of the former employees of Waialua Sugar Company that may be in danger of losing their homes by:

- (1) Providing an emergency loan program that will provide temporary assistance to families who, as a result of plantation closure, require help to make mortgage payments on their homes; and
- (2) Providing a grant program to ensure the continued operation of Waialua Sugar Company housing units.

ILWU Local 142 submitted testimony in support of this measure. The Office of State Planning and the Department of Budget and Finance submitted testimony in support of the intent of this measure. The Department of Finance however, could not support the appropriation in Sections 2 and 3 of this bill since it is not consistent with the State's Biennium Budget request.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 566 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Stegmaier and Kawananaoka.

SCRep. 468 Hawaiian Affairs and Housing on H.B. No. 978

The purpose of this bill is to dissolve the Housing Finance and Development Corporation (HFDC) and to transfer its functions to the Hawaii Housing Authority (HHA).

Since the Legislature is scheduled to move from the State Office Tower in late 1995, the space would be available to the expanded HHA.

Your Committee would like to note that this bill is one of two alternative proposals that it has approved to consolidate housing functions. H.B. No. 268 proposes to create a new department consolidating all of the state's housing functions, specifically those of HFDC, HHA, and the Hawaii Community Development Authority.

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

- (1) Required HHA to develop transition plans and to submit to the Legislature a report of these plans and the status of HHA activities;
- (2) Changed the effective date from July 1, 1995, to July 1, 1996;
- (3) Deleted the required one-year transition period; and
- (4) Made technical, nonsubstantive revisions for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 978, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 978, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Stegmaier and Kawananaoka.

SCRep. 469 Hawaiian Affairs and Housing on H.B. No. 1776

In Act 358, Session Laws of Hawaii 1993, the Legislature found that the Office of Hawaiian Affairs (OHA) had undergone tremendous expansion in its programs and responsibilities since its inception at the 1978 Constitutional Convention. An advisory task force which was established pursuant to Act 318, Session Laws of Hawaii 1992, recommended that the trustees of the OHA receive compensation for their duties as trustees in the form of a salary.

In Section 4 of Act 358, the Legislature required that OHA trustee salaries be paid out of the State's general revenues and matched from the OHA's pro-rata share of public land trust revenues. The purpose of this bill is to conform the statutory language which provides salaries to the OHA trustees to the provisions as stated in Section 4 of Act 358. The bill also provides that OHA trustees shall be included in the State benefit programs relating to retirement.

Your Committee received testimony in support of this bill from the OHA.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1776 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kawakami and Stegmaier.

SCRep. 470 Hawaiian Affairs and Housing on H.B. No. 1883

The purpose of this bill is to authorize the Housing Finance and Development Corporation (HFDC) to issue an additional \$500,000,000 in tax exempt revenue bonds for the Hula Mae Single Family Mortgage Purchase Program (Program).

The HFDC submitted testimony strongly supporting this bill.

Under the Program, the HFDC is authorized to issue tax-exempt mortgage revenue bonds, and to make funds available through mortgage lenders at affordable interest rates to households with low to moderate incomes. Over 6,370 first time homebuyers have been provided below-market Hula Mae mortgages since the Program's inception in 1980.

Your Committee finds that HFDC requires an additional \$500,000,000 of revenue bond authorization to maintain its aggressive housing production schedule and to meet the growing demand for affordable mortgage money for first time homebuyers.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1883 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Stegmaier and Kawanakoa.

SCRep. 471 Hawaiian Affairs and Housing on H.B. No. 1885

The purpose of this bill is to authorize the Housing Finance and Development Corporation (HFDC) to transfer moneys from the Rental Assistance Revolving Fund to the Downpayment Loan Program Revolving Fund and the Rental Housing Trust Fund (RHTF).

The Hawaii Association of Realtors and HFDC submitted testimony in support of the bill. According to HFDC, the demand for RHTF funds is extremely high. In fact, the demand outstrips the availability of funds. RHTF provides loans or grants for the critical functions of pre-development, development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units.

Your Committee has amended the bill as follows:

- (1) Terminated the interim construction loan component of the Rental Assistance Revolving Fund; and
- (2) Transferred surplus assets created by this termination to the Rental Housing Trust Fund, beginning with a transfer of \$3,900,000, to be followed by future transfers as interim construction loans are repaid.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1885, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1885, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kawakami and Stegmaier.

SCRep. 472 Hawaiian Affairs and Housing on H.B. No. 1988

The purpose of this bill is to amend the requirements relating to the state's homeless programs.

Your Committee received testimony in favor of the bill from the Executive Director of the Hawaii Housing Authority, who noted that the bill would:

- (1) Clarify and strengthen the administration of the state's homeless programs, especially with regard to the way in which provider agencies are selected;
- (2) Clarify the time limits in which they are to provide services; and
- (3) Clarify the requirements for audits and methods of paying homeless shelter stipends.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1988 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Stegmaier and Kawanakoa.

SCRep. 473 Hawaiian Affairs and Housing H.B. No. 2210

The purpose of this bill is to make various substantive and technical changes to the Hawaiian Homes Commission Act, 1920, as amended, to improve the administration of the Hawaiian home lands program. These changes would include:

- (1) Allowing the use of an open bid process in disposing of Hawaiian home lands to prevent overbidding;
- (2) Allowing farm loans to applicants who derive their primary income from non-farm sources;
- (3) Re-establishing the Hawaiian Home Development Fund as a separate fund, independent of the Hawaiian Home Operating Fund; and
- (4) Increasing the amount the Department of Hawaiian Homes is authorized to borrow or guarantee on loans.

The Department of Hawaiian Home Lands submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2210 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kawakami and Stegmaier.

SCRep. 474 Hawaiian Affairs and Housing; Health; and Human Services on H.B. No. 331

The purpose of this bill is to appropriate funds for operating costs for a "safe haven" pilot project that provides essential services to the homeless mentally-ill without imposing strict program requirements.

Your Committees received testimony in support of this bill from the Legislative Chair of the Kokua Council for Senior Citizens and from members of the public.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Housing; Health; and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 331, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kawakami, Stegmaier and Kawanakoa.

SCRep. 475 Intergovernmental Relations and International Affairs on H.B. No. 346

The purpose of this bill is to transfer to the counties the excess above 4% of the proceeds from the public service company tax.

Testimony in support of this bill was received from the Chamber of Commerce of Hawaii, the Hawaii State Association of Counties, the County of Hawaii, the County of Maui, the City and County of Honolulu, and the BHP Gas Company, Hawaiian Electric Company, Inc., and GTE Hawaiian Tel supported the concept of the bill but raised concerns about its provisioning safeguards.

Testimony in opposition of this bill was received from the the Department of Taxation.

Your Committee finds that the bill corrects an inequity between the State and the counties by transferring to the counties a portion of the public service companies taxes paid by public utilities.

Presently, public utilities pay a public service companies tax in lieu of taxing the real property owned or leased by the public utility. Your Committee believes that given the real property exemption clause of the public service companies tax, it is fair and reasonable to share a portion of the tax with the counties.

There was concern expressed that the bill does not prohibit the counties from exercising their authority to tax the real property of utilities, while the State continues to assess the public service companies tax. This could result in utilities being subjected to a double taxation. Accordingly, your Committee has amended the bill to ensure that there is no overlap of real property tax assessments.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 346, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Hiraki.

SCRep. 476 Intergovernmental Relations and International Affairs on H.B. No. 404

The purpose of this bill is to require funds from liquor license fees in excess of 20% of the liquor commission's current budget to be returned or credited annually to existing licensees.

Testimony in support of this bill was received from the City and County of Honolulu, Liquor Dispensers of Hawaii and the Department of Liquor Control.

Your Committee finds that passage of this bill will allow the Commissions to maintain a reasonable reserve fund, thereby eliminating the need to increase fees and to have the ability to immediately respond to emergencies and unforeseen circumstances.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 404 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Hiraki.

SCRep. 477 Intergovernmental Relations and International Affairs on H.B. No. 648

The purpose of this bill is to appropriate monies to the Office of the Governor for fiscal years 1995-1996 to continue the operations of the Kaneohe and Waipahu state satellite information offices. The bill also allows the Governor to enter into an agreement with the Mayor of the City and County of Honolulu to share the operating costs of the foregoing state satellite information offices with the operating costs of the above named county satellite city halls.

Testimony in support of the bill was received by the Hawaii State Association of Counties and many concerned citizens from the Leeward area.

Your Committee finds that the satellite offices in these regions have been providing valuable services to their residents as well as contributing to the reduction of town-bound commuters in search of County assistance. Therefore, your Committee has amended the bill by appropriating one dollar for the purpose of continued discussion.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 648, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Hiraki.

SCRep. 478 Intergovernmental Relations and International Affairs on H.B. No. 1017

The purpose of this bill is to adopt the Uniform Interstate Family Support Act (UIFSA), repealing the Uniform Reciprocal Enforcement of Support Act.

Testimony in support of this bill was received from the office of the State Attorney General, the Legal Aid Society of Hawaii, the Hawaii Advocates For Child Support Enforcement and a concerned citizen.

Your Committee finds that with the adoption of this bill, UIFSA would clearly state, in an interstate child support dispute, who would have jurisdiction to establish, modify, or enforce an order for support or paternity.

Further, your Committee has amended the bill to clarify the definition of who are tribunals of this State by identifying the appropriate agencies authorized to establish, enforce, or modify support orders or to determine parentage.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1017, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Alcon and Hiraki.

SCRep. 479 Intergovernmental Relations and International Affairs on H.B. No. 1023

The purpose of this bill is to amend chapter 226, Hawaii Revised Statutes, to establish Asia and the Pacific as a priority for state planning in economy, education, and culture.

Testimony in support of this bill was received by the Office of State Planning and from the Department of Business, Economic Development; and Tourism.

Recognizing the strategic importance of the Asia-Pacific region on Hawaii, your Committee is in support of this bill that attempts to further promote the State's commitment to the region.

Your Committee has amended the bill to specify that Hawaii's marketing strategy will focus on this region. Additionally, technical, nonsubstantive amendments have been made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1023, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1023, H.D. 1, and be referred to the Committee on Economic Development and Business Concerns.

Signed by all members of the Committee except Representatives Alcon and Hiraki.

SCRep. 480 Intergovernmental Relations and International Affairs on H.B. No. 1870

The purpose of this bill is to clarify that community correctional centers are not responsible for detaining arrested persons between the time of arrest and arraignment or other initial appearance before the court.

Testimony in support of this bill was received from the Department of the Attorney General and the Department of Public Safety.

Testimony in opposition was received from the County of Hawaii.

Your Committee finds that there is an ambiguity in section 353-6, Hawaii Revised Statutes which has resulted in a dispute as to the proper interpretation of the 1973 Hawaii State Master Plan. The plan clearly states, "If the arrestee is unable to post bail, he is held at the police department until the date of arraignment." This measure resolves the ambiguity in the statute and resolves the issue in accordance with the original legislative intent as stated in the plan.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1870 and recommends that it pass Second Reading and be referred to the Committees on Judiciary and Public Safety and Military Affairs.

Signed by all members of the Committee except Representatives Alcon and Hiraki.

SCRep. 481 Intergovernmental Relations and International Affairs on H.B. No. 2228

The purpose of this bill is to change the position of first assistant to the deputy director of Civil Defense from a civil service position to an exempt position.

Testimony in support of this bill was received from the County of Kauai, County of Maui and the State Department of Defense.

Your Committee recognizes that changing the first assistant's position from civil service to an exempt position will allow the mayors of each county the authority to appoint someone of their choosing to assist in carrying out disaster preparedness plans.

Your Committee has amended the bill to clarify that although the position will be exempt from chapter 76, it must fully meet the qualification standards as established by the Director of Civil Defense.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2228, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2228, H.D. 1, and be referred to the Committee on Public Safety and Military Affairs.

Signed by all members of the Committee except Representatives Alcon and Hiraki.

SCRep. 482 Intergovernmental Relations and International Affairs on H.B. No. 2311

The purpose of this bill is to allocate fines from the enforcement of state and county animal control regulations to the respective county in which a violation occurs.

Testimony in support of the bill was received by the City and County of Honolulu and the Office of the Mayor, Hawaii.

Your Committee finds that while the fines collected are relatively small, passage of this bill would allow the monies collected by the counties to be retained by them. This would help to correct a fiscal inequity between the State and County.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2311 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Alcon and Hiraki.

SCRep. 483 Intergovernmental Relations and International Affairs on H.B. No. 2322

The purpose of this bill is to make permanent Act 168, Session Laws of Hawaii 1993, by deleting the sunset date for authorizing the counties to collect unpaid civil fines imposed for the violation of county ordinances and rules, in the same manner as taxes, fees and charges.

Testimony in support of the bill was received by the Department of Land Utilization and a concerned citizen.

Your Committee finds that passage of this bill would enable the counties to continue the collection of violations of county ordinances and rules in an efficient, effective manner at minimal cost to the City. Many of these violations would have gone unresolved in the past, but they were able to influence compliance through civil remedies convincingly.

This program proved to be a valuable enforcement assets for the Department of Land Utilization, who successfully implemented procedures for unpaid civil fines attachments since April 1994.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2322 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Alcon and Hiraki.

SCRep. 484 Intergovernmental Relations and International Affairs on H.B. No. 2323

The purpose of this bill is to allow the counties to make minor changes to zoning boundaries administratively. The bill also requires the counties to condition these map adjustments as the counties deem appropriate.

Testimony in support of this bill was received by the City and County of Honolulu.

Your Committee finds that the State has already granted zoning powers to the counties, enabling them to implement and enforce zoning under section 46-4, Hawaii Revised Statutes. Therefore, by removing unnecessary restrictions, both their regulatory and "home rule" capabilities are enhanced.

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

As affirmed by the record of votes of the members of your Committee on Intergovernmental Relations and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2323, H.D. 1, and be referred to the Committee on Water and Land Use Planning.

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

SCRep. 485 Tourism on H.B. No. 494

The purpose of this bill is to limit the liability of a condominium for injuries in the ocean or on the beach adjacent to the property.

Your Committee received testimony offering comments on this bill from the Real Estate Commission.

Your Committee finds that this bill addresses an important concern of many non-hotel accommodations operators and that the matter warrants further discussion on legal issues.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 494 and recommends that it pass Second Reading and be referred to the Committees on Judiciary and Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Lee and Marumoto.

SCRep. 486 Tourism on H.B. No. 1288

The purpose of this bill is to reduce the liability of tourist activity providers for injuries suffered by customers.

Your Committee received testimony in opposition to this bill from the Department of Business, Economic Development, and Tourism, and the Hawaii Trial Lawyers Association.

Your Committee finds that this bill addresses an important concern of many tourism businesses and that the matter warrants further discussion on legal issues.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1288 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Lee and Marumoto.

SCRep. 487 Judiciary on H.B. No. 50

The purpose of this bill is to strengthen the plan review process by the Commission on Persons with Disabilities and to clarify that HRS §103-50 affects public improvements to public real property.

Your Committee received testimony in support of this bill from the Commission on Persons with Disabilities and the Architectural Access Committee.

Your Committee finds that state law should mirror the scope of public projects covered in Title II of the Americans with Disabilities Act relating to state and local government. The design guidelines at the federal level are regularly amended and codified in the Code of Federal Register, 36 C.F.R. part 1191. Your Committee finds that state law should automatically incorporate all federal amendments and that all public buildings, facilities, and improvements should comport with the Americans with Disabilities Act.

Presently, all public agencies must seek document review from the Commission on Persons with Disabilities, but this review constitutes only "advice and recommendation". Your Committee finds that the review process must be strengthened by permitting the Commission on Persons with Disabilities to approve plans and specifications prior to commencement of construction. Agencies subject to approval must submit their plans within a reasonable period of time prior to construction.

However, flexibility must be retained in the process in order to deal with emergency situations or changes in design construction requiring rapid response. Consequently, a waiver of the approval process by the Governor has been added. Your Committee emphasizes that even if a waiver is necessitated by an emergency situation, that the structure must ultimately still comply with the Americans with Disabilities Act.

Your Committee finds that the rulemaking responsibility for the Commission on Persons with Disabilities must be clarified and also that the Director of Health should consult with the Architectural Access Committee when rules are adopted for that Committee. Additionally, your Committee concurs with the testimony of the Commission on Persons with Disabilities that the requirement for the Department of Accounting and General Services to submit a list of donated buildings and facilities provides no useful information. Your Committee also agrees with the Commission's testimony that a written assurance of compliance should be provided rather than having the Architectural Access Committee monitor compliance.

Therefore, your Committee has amended this bill to:

- (1) Require buildings, facilities, and public improvements to comply with the Americans with Disabilities Act, as amended.
- (2) Require agencies to submit their plans for approval by the Commission on Persons with Disabilities at least 30 days prior to commencement of the project.
- (3) Permit the Governor to waive the approval process.
- (4) Require agencies to provide written assurance with respect to conformity with the Americans with Disabilities Act.
- (5) Retain the Director of Health's rulemaking responsibilities pertaining to the Architectural Access Committee.
- (6) Clarify the functions of the Commission on Persons with Disabilities.

- (7) Delete the requirement pertaining to the annual submission of a list of donated buildings and facilities to the Legislature.

Technical and non-substantive changes have also been made.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 50, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 50, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Hamakawa, Menor, Saiki and Yoshinaga.

SCRep. 488 Judiciary on H.B. No. 501

The purpose of this bill is to assign responsibility for the custody of pre-arraignment detainees to the State.

Your Committee received testimony in support of this bill from the County of Hawaii Police Department, the County of Hawaii Office of the Corporation Council, and the Office of the County Attorney of Kauai. Testifying in opposition to this bill were the Department of the Attorney General and the Department of Public Safety.

Your Committee finds that a dispute has arisen between the State and the County of Hawaii over the responsibility of assuming custody of pre-arraignment detainees.

Your Committee finds that the costs associated with the State assuming responsibility for the custody of all pre-arraignment detainees pose an overwhelming burden to the State. Your Committee also finds that the counties need financial assistance if they are to take custody of pre-arraignment detainees.

Therefore, your Committee has amended this bill by:

- (1) Adding section 1.
- (2) Requiring the State to reimburse each county in an amount not to exceed \$100,000 when the county takes custody of pre-arraignment detainees.
- (3) Adding a sunset provision.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 501, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 501, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McMurdo, Menor and Yoshinaga.

SCRep. 489 Judiciary on H.B. No. 1773

The purpose of this bill is to provide an additional source of funding for legal services to indigent persons through a filing fee surcharge on civil cases.

Your Committee received testimony in support of this bill from the Legal Aid Society of Hawaii, American Civil Liberties Union of Hawaii, Hawaii Lawyers Care, Native Hawaiian Legal Corporation, Hawaii Justice Foundation, Hawaii Commission on Access to Justice, Protection and Advocacy Agency, Domestic Violence Legal/Hotline, and the American Association of Retired Persons. Your Committee received testimony in opposition to this bill from Pacific Collections.

Your Committee finds that the unmet legal needs of Hawaii's poor have increased due to an acceleration in the demand for legal services by Hawaii's poor and to the inadequate funding of the organizations that provide these much needed services. Clearly, funding shortages result in a limitation on the legal services that can be provided to the poor. To many individuals and families, access to justice is dependent on the availability of free legal assistance. Your Committee believes that access to legal assistance and the judicial system should not be based on one's income.

Your Committee finds that federal funding for indigent legal services has decreased tremendously in the past several years. Although state general funds have helped support indigent legal services organizations, these funds have not been sufficient to compensate for the loss of federal funds or to ensure that organizations without federal funding can provide adequate services to Hawaii's poor. This bill does not intend to supplant funds from the general fund in order to address the legal needs of the poor, but instead it serves to supplement the funding that already supports organizations providing legal services to Hawaii's low-income citizens.

Your Committee was concerned that imposing a filing fee in small claims cases and in petitions for temporary restraining orders might pose an undue burden on persons filing in these types of cases. Your Committee did not want to impose a barrier to the judicial system for these persons, and, therefore, has amended this bill by exempting filings for these actions from the surcharge.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1773, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1773, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McMurdo, Menor and Yoshinaga.