

**SCRep. 950-96 Health on S.B. No. 2795**

The purpose of this bill is to appropriate emergency funds for the Department of Health's child and adolescent mental health program to prevent the reduction or discontinuance of payments for services to emotionally disturbed children and adolescents.

Testimony in support of the bill was received from the Department of Health and the Mental Health Association in Hawaii. No opposing testimony was received.

Your Committee raised several concerns in regards to this bill. Among them were issues dealing with the number of clients being served and the cost of those services. These services, as mandated by the Felix v. Waihee consent decree, require that the State provide services using state of the art treatment.

Your Committee is acutely aware of the financial limitations of the State. However, the requirements set forth by the Felix v. Waihee consent decree must be met. In at least one area, the Department has an individual assigned to make sure that services purchased are necessary, appropriate and cost effective. The Committee indicated that they must monitor expenditures in all areas to assure cost effective, responsive services.

The Department of Health provided a break-down of some funding and expenditures, however, this information was inadequate and your Committee was unable to make any recommendations with respect to funding levels.

It is this Committee's hope that the Department of Health will be able to provide a better break-down of costs, expenditures and the various levels of funding, to the Committee on Finance.

Your Committee has amended the Section 3 of this bill to indicate that responding to the requirements of the Felix v. Waihee consent decree is part of the purpose of 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 S.B. No. 2795, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2795, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 951-96 Intergovernmental Relations and International Affairs and Transportation on S.B. No. 3054**

The purpose of this bill is to require the legal owner or lien holder of a vehicle to pay any towing or storing charges for vehicles removed by order of any county ordinance.

Testimony in support of this measure was submitted by independent Chevron Dealer Michael Kitagawa and by the Hawaii Automotive Retail Gasoline Dealers. It was indicated that when a vehicle has sustained damage or has been involved in illegal activity, oftentimes the registered owner will not claim the towed or stored vehicle. Often such vehicles must then be released to a lien holder without payment to the towing company, resulting in a negative financial impact on the towing companies.

Questions were raised concerning the proper placement of the proposed amendment in the Hawaii Revised Statutes. Further, the towing of stolen vehicles made at the request of the owner of the vehicle is not addressed in this bill. It is hoped that these issues will be addressed by your Committee on Judiciary.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Relations and International Affairs and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3054 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Nakasone and Case.

**SCRep. 952-96 Intergovernmental Relations and International Affairs on S.B. No. 3128**

The purpose of this bill is to require unsuccessful applicants for liquor licenses, whose previous application for the same location has been denied or withdrawn, to show substantial change in the circumstances that previously led to the denial or withdrawal of their application.

Testimony in support of this measure was submitted by 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, the Department of Liquor Control of the County of Hawaii, the McCully/Moiliili Neighborhood Board, and the Downtown Neighborhood Board #13. Frustration was expressed with having to contest the repeated license applications. In addition, the current appeals process places an undue burden on the contestors by requiring them to repeatedly take action against the same license applicants.

In its present form, this bill clarifies that substantial changes in prior circumstances must be demonstrated in any renewed application and that this requirement does not apply to withdrawn applications which are not based on protests. Further, this bill specifies the factors in evaluating the character of the area surrounding the proposed premises.

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 S.B. No. 3128, S.D. 1, 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 Hiraki and Ward.

**SCRep. 953-96 Intergovernmental Relations and International Affairs on S.B. No. 2490**

The purpose of this bill is to regulate the use of fireworks by:

- (1) Allowing non-aerial common fireworks to be set off from 1:00 p.m. on the Fourth of July until 1:00 a.m. on July 5;
- (2) Prohibiting the use of fireworks within 1,000 feet of any building with more than 99 units, or any building in an area zoned and used for high-density, multi-unit housing, if required by county ordinance; and
- (3) Making it a misdemeanor to distribute, sell, or offer to sell aerial common fireworks without a license, or possessing, setting off, igniting, or discharging aerial common fireworks without a permit.

Testimony in support of this measure was submitted by the Police Department of the City and County of Honolulu; the Legislative Information Services of Hawaii, Inc.; the American Lung Association of Hawaii; the Hawaii Medical Association; the Hawaii Council of Association of Apartment Owners; and a number of private citizens.

Your Committee believes that while a statewide standard for fireworks is necessary, the counties should be allowed to enact stricter standards if they desire. Furthermore, the Fourth of July holiday often falls on weekdays when early morning or late night fireworks can cause disturbances. Therefore, your Committee has amended this bill by:

- (1) Allowing the counties to enact stricter standards on fireworks control than the standards established by the State;
- (2) Restricting the time period that non-aerial common fireworks can be set off from 8:00 p.m. to 10:00 p.m. on the Fourth of July; and
- (3) Making other technical, nonsubstantive amendments 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 S.B. No. 2490, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2490, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 954-96 Economic Development and Business Concerns on S.B. No. 3240**

The purpose of this bill, as received by your Committee, is to expand the scope of businesses authorized to operate in enterprise zones by including businesses engaged in:

- (1) Roadside sales of agricultural products from temporary shelters; and
- (2) Contracting, erecting, constructing, repairing, or improving buildings or structures in counties with populations of less than 100,000 people;

and are licensed under the General Excise Tax Law.

In addition, this bill also specifies that:

- (1) Certain eligibility requirements under the State Enterprise Zones Program (Program) does not apply to agriculture producers in counties with populations of 100,000 or less; and
- (2) Contractors designated as "qualified businesses" in counties with populations with less than 100,000 people are entitled only to the state business tax credit against income taxes.

Your Committee received testimony in support of the measure from the Kauai Chamber of Commerce. The Department of Business, Economic Development, and Tourism submitted testimony in support of the concept of the bill. Comments were received from the Tax Foundation of Hawaii and the Hawaii Food Industry Association.

Upon further consideration, your Committee has amended this bill by deleting its substance, and inserting therefor, the substance of H.B. No. 4117, H.D. 2. Your Committee notes that H.B. No. 4117, H.D. 2, passed out of the House of Representatives earlier this session after public hearings before this Committee and the Committee on Finance.

As amended, the purpose of this bill is to simplify the implementation and improve the effectiveness of the Program by:

- (1) Expanding the types of businesses that are eligible to participate in the Program to include education and training services, information technology services, medical and health care services, and telecommunication services;

- (2) Limiting the eligibility of service businesses to maritime and aviation repair, telecommunication services, information technology services, medical and health care services, and education and training services;
- (3) Revising the hiring requirements of businesses by increasing the average annual number of full-time employees and eliminating the low-income hiring requirements;
- (4) Specifying that certain eligibility requirements under the Program does not apply to agriculture producers in counties with populations of 70,000 or less; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity 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 S.B. No. 3240, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3240, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 955-96      Agriculture on S.B. No. 3170**

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to negotiate and enter into long-term leases with qualified revocable permittees in the Waimanalo area who were deemed ineligible to obtain long-term leases under Act 237, Session Laws of Hawaii (Act 237). The bill directs the DLNR to:

- (1) Notify permittees within six months of the effective date of this Act of their eligibility for long-term leases;
- (2) Inform eligible permittees of the terms, conditions, and restrictions provided by this Act;
- (3) Obtain an appraisal of the parcel to determine fair market value;
- (4) Base the annual lease rent for the parcel upon the fair market value established by the appraisal;
- (5) Require the payment of a premium;
- (6) Recover from the lessee the cost to convert the parcel to leasehold; and
- (7) Cooperate with any efforts initiated by permittees to reclassify their lands from nonagricultural to agricultural use.

The DLNR, the Waimanalo Revocable Permittees, and two private citizens submitted testimony in support of this bill.

Your Committee finds that allowing the DLNR to enter into long-term leases with qualified permittees provides an equitable remedy to their present situation, is consistent with the objectives of the Hawaii State Plan, and that the State will realize greater returns from the disposition of lands now under revocable permit.

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 S.B. No. 3170, S.D. 1, 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 Halford.

**SCRep. 956-96      Agriculture on S.B. No. 3214**

The purpose of this bill is to authorize the Department of Agriculture (DOA) to negotiate and enter into leases with qualified revocable permittees. The bill directs the DOA to:

- (1) Notify permittees within six months of the effective date of this Act of their eligibility for leases;
- (2) Inform eligible permittees of the terms, conditions, and restrictions provided by this Act;
- (3) Obtain an appraisal of the parcel to determine the fair market value;
- (4) Base the annual lease rent upon the fair market value established by the appraisal;
- (5) Require the payment of a premium; and
- (6) Recover from the lessee the cost to convert the parcel to leasehold.

Testimony in support of this bill was received from the DOA, the Department of Land and Natural Resources, and the Waimanalo Revocable Permittees.

Your Committee finds that allowing the DOA to enter into leases with qualified permittees is in the public interest, consistent with the objectives of the Hawaii State Plan, and that the State will realize greater returns from the disposition of lands now under revocable permit.

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 S.B. No. 3214, S.D. 1, 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 Halford.

**SCRep. 957-96 Intergovernmental Relations and International Affairs on S.B. No. 678**

The purpose of this bill is to adopt the Interstate Corrections Compact (ICC) which would enable the state to enter into agreements for the transfer of prisoners with any other state which is a member of this agreement.

Testimony in support of this measure was submitted by the Department of Public Safety. At present, the Department of Public Safety is authorized under chapter 355, Hawaii Revised Statutes (HRS), to enter into the Western Interstate Corrections Compact (WICC). Pursuant to section 353-16.2, HRS, the Department of Public Safety may transfer prisoners to any out-of-state correctional facility that is not a WICC member if that transfer is in the interests of security or good management or the interest of the inmate.

The department has recently been informed that despite the provisions of the WICC, other states which are not members of the WICC may not be able to enter into agreements with Hawaii. If Hawaii were to adopt the ICC, the Department of Public Safety would be able to enter into agreements with any other ICC members and therefore have more flexibility in transferring inmates to other jurisdictions.

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 S.B. No. 678, S.D. 1, and recommends that it pass Second Reading and be referred to the Committees on Public Safety and Military Affairs and Judiciary.

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

**SCRep. 958-96 Intergovernmental Relations and International Affairs on S.B. No. 3160**

The purpose of this bill is to allow tour and cruise vessels with class nine liquor licenses to serve liquor to passengers prior to departure or during debarking, rather than just when the vessel is in operation, if such service is approved by the county issuing the license.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; the Department of Finance of the City and County of Honolulu; the Department of Liquor Control of the County of Kauai; the Department of Liquor Control of the County of Hawaii; and Paradise Cruises, Ltd. It was indicated that this bill would provide the counties greater latitude in the issuance of general liquor licenses to the owner of any tour or cruise vessel.

Your Committee has amended the bill by including language contained in House Bill 2564, H.D. 2, which clarifies that liquor licenses may allow the serving, sale, and consumption of liquor in state boat harbors while on board the tour or cruise vessel.

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 S.B. No. 3160, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3160, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 959-96 Human Services on H.C.R. No. 61**

The purpose of this House Concurrent Resolution is to affirm the need for a public-private program that adheres to certain principles of long-term care to address the long-term care needs of the residents of Hawaii.

The Department of Human Services, the Executive Office on Aging, the American Association of Retired Persons, and the Healthcare Association of Hawaii submitted testimony in support of this measure. Also submitting testimony in support of this measure were the Advocates for Independent Living, the Kokua Council, and the Hawaii Long Term Care Association. In addition, the Hawaii Long-Term Care Reform Task Force, the Hemophilia Foundation of Hawaii, and two concerned citizens testified in support of this measure.

Your Committee finds that there is a growing demand for long-term care services in Hawaii and recognizes that such services must be delivered in a comprehensive manner. In addition, your Committee finds that long-term care services should be available to all people who need them, regardless of age and income. In developing a comprehensive statewide system of long term care to adequately address the needs of Hawaii's people, basic principles must serve as the foundation for planning, implementing, monitoring and evaluating training and education programs, direct long term care services and development of long term care facilities

Your Committee further finds that a comprehensive collaborative effort on the part of public and private agencies is necessary to augment the current efforts of informal caregivers throughout Hawaii by developing the infrastructure, improving consumer protection, and developing cost containment mechanisms that will ensure reasonable provider profits and patient quality care.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 61 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki, Hamakawa and Kawanakoa.

**SCRep. 960-96 Human Services on H.C.R. No. 66**

The purpose of this House Concurrent Resolution is to request the Office of Youth Services to develop a program that pairs college students with delinquent youths to track their progress and serve as mentors and role models.

The University of Hawaii's School of Social Work, and the Police Department, City and County of Honolulu submitted testimony in support of this measure. The Office of Youth Services submitted testimony supporting the intent of this measure.

Your Committee finds that an intensive case monitoring program, which would pair college students with delinquent minors, would effectively address the State's responsibility to provide its youth with a fair and full opportunity to reach their full potential and become law-abiding citizens of our community. Your Committee also recognizes that a collaborative effort between the Office of Youth Services and the University of Hawaii's School of Social Work is necessary to develop an intensive case monitoring program. Your Committee further finds that the Missouri Intensive Case Monitoring program may be used as a model for a similar program in Hawaii which pairs college students with delinquent minors to track their progress and serve as mentors and role models.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 66 and recommends that it be referred to the Committee on Higher Education and the Arts.

Signed by all members of the Committee except Representatives Saiki, Hamakawa and Kawanakoa.

**SCRep. 961-96 Agriculture on H.R. No. 67**

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to search for water resources in South Kona to provide irrigation water for agricultural users.

Your Committee recognizes the significant economic benefits and opportunities that new water resources would generate for the State, particularly the South Kona community. Tapping new water resources in South Kona would strengthen farming and ranching activities in the area, as well as assist in the growth and development of diversified agriculture statewide.

The Big Island Farm Bureau submitted testimony in support of the general intent of the measure. Comments were submitted by DLNR.

Your Committee has amended this resolution by:

- (1) Including the Department of Agriculture and affected landowners to search for water resources in South Kona, and amending the title of the measure to reflect this change; 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 concurs with the intent and purpose of H.R. No. 67, as amended herein, and recommends that it be referred to the Committee on Water and Land Use Planning, in the form attached hereto as H.R. No. 67, H.D. 1.

Signed by all members of the Committee except Representative Halford.

**SCRep. 962-96 Agriculture on H.C.R. No. 57**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to search for water resources in South Kona to provide irrigation water for agricultural users.

Your Committee recognizes the significant economic benefits and opportunities that new water resources would generate for the State, particularly the South Kona community. Tapping new water resources in South Kona would strengthen farming and ranching activities in the area, as well as assist in the growth and development of diversified agriculture statewide.

The Big Island Farm Bureau submitted testimony in support of the general intent of the measure. Comments were submitted by DLNR.

Your Committee has amended this concurrent resolution by:

- (1) Including the Department of Agriculture and affected landowners to search for water resources in South Kona, and amending the title of the measure to reflect this change; 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 concurs with the intent and purpose of H.C.R. No. 57, as amended herein, and recommends that it be referred to the Committee on Water and Land Use Planning, in the form attached hereto as H.C.R. No. 57, H.D. 1.

Signed by all members of the Committee except Representative Halford.

**SCRep. 963-96 Water and Land Use Planning on S.B. No. 2011**

The purpose of this bill is to assist the Commission on Water Resource Management (Commission) in addressing the complicated water issues facing the state.

This bill authorizes the Commission to:

- (1) Establish a technical advisory committee; and
- (2) Hire its own legal counsel.

The Hawaii Farm Bureau testified in support of this bill. The Commission, the State Attorney General, the Office of Hawaiian Affairs, the Land Use Research Foundation of Hawaii, the Environmental Center of the University of Hawaii at Manoa, and a concerned individual offered comments.

Your Committee finds that the technical advisory committee, composed of experts in engineering, aquatic biology, hydrology, and geology, as well as the legal counsel, will help the Commission to make the rational and analytical decisions needed to address the highly controversial water issues.

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 S.B. No. 2011, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nekoba, Kanoho, M. Oshiro and Thielen.  
(Representative Meyer voted no.)

**SCRep. 964-96 Health on S.B. No. 2416**

The purpose of this bill is to prohibit the dispensing and possession of Schedule V controlled substances without a written or oral prescription of a practitioner.

In addition, this bill:

- (1) Requires the labeling of packages containing Schedule V controlled substances;
- (2) Prohibits an individual practitioner from prescribing or dispensing Schedule V controlled substances for the practitioner's personal use, except in a medical emergency;
- (3) Requires that packages, bottles, and other containers for the selling or dispensing of controlled substances by pharmacists be labeled with the pharmacy's business address;
- (4) Repeals the requirement that packages, bottles, and other containers for the selling or dispensing of controlled substances by pharmacists be labeled with the patient's or animal owner's address, and the prescribing practitioner's address; and
- (5) Allows the Department of Public Safety to require a registrant to submit such documents or written statements of fact relevant to a registration as the department deems necessary to determine whether the registration should be granted or denied.

Your Committee received testimony in support of this bill from the Department of Public Safety and Longs Drug Stores. Your Committee finds that this bill will conform the Uniform Controlled Substances Act to changes in federal law and give the Department of Public Safety the necessary data to make an educated decision about granting a registrant's request for controlled substance prescribing, administering, and dispensing privileges.

Your Committee has amended this bill by:

- (1) Extending the regulation of controlled substances to include physicians on the staff of any facility serving veterans; and
- (2) Making a technical, nonsubstantive amendment for purposes of 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 S.B. No. 2416, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2416, S.D. 1, 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 Saiki and Anderson.

**SCRep. 965-96 Higher Education and the Arts on S.B. No. 2737**

The purpose of this bill is to improve the regulation of degree granting institutions by:

- (1) Repealing the requirement that unaccredited degree-granting institutions disclose provisional accreditation;
- (2) Repealing the section requiring registration with the Department of Commerce and Consumer Affairs; and
- (3) Prohibiting educational institutions not accredited by the American Bar Association from issuing a Juris Doctor degree, Master of Laws degree, or any other equivalent degree.

Testimony in support of this bill was received from the Department of Commerce and Consumer Affairs, the University of Hawaii Professional Assembly, and a concerned individual. The University of Hawaii and the University of Phoenix submitted testimony in support of the intent of this measure. Comments on this bill was received from the Office of the Mayor of the County of Hawaii, Greenwich University, Pacific Western University, and a concerned individual.

Your Committee has amended this bill by:

- (1) Specifying that unaccredited institutions may not issue a Bachelor of Arts, Bachelor of Science, Master of Arts, Master of Science, Doctorate, or any equivalent or comparable degree, unless the institution is a candidate for regional accreditation by any nationally recognized accrediting agency or association listed by the United States Secretary of Education; 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 S.B. No. 2737, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2737, 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 Morihara, Santiago, Takumi and Tarnas.

**SCRep. 966-96 Higher Education and the Arts on S.B. No. 2781**

The purpose of this bill is to transfer the responsibility for life support personnel training from the Department of Health (DOH) to the University of Hawaii (University).

The University of Hawaii and the Department of Health submitted testimony in support of this measure. The Department of Emergency Medical Services at Kapiolani Community College submitted testimony on this measure.

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

- (1) Providing that current temporary faculty members in Bargaining Unit 07 in the Emergency Medical Services Training Program (Program) at Kapiolani Community College who are employed and meet minimum qualifications, be transferred from the DOH to the University;
- (2) Providing that all civil service employees in Bargaining Unit 03 in the Program at Kapiolani Community College who are employed and meet minimum qualifications, be transferred from the DOH to the University; 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 Higher Education and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2781, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 2781, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Morihara, Shon, Takumi, Tarnas and Anderson.

**SCRep. 967-96 Consumer Protection and Commerce on S.B. No. 2912**

The purpose of this bill is to ensure tax compliance by delinquent construction industry contractors during the two-year term of their professional licenses.

The Department of Taxation has been experiencing collection problems with contractors who become delinquent soon after their license is issued or renewed. To alleviate this problem, this bill would amend section 444-17, Hawaii Revised Statutes, to permit the Contractors License Board to revoke, suspend, or refuse to renew a license in the event of a failure by a contractor to pay delinquent taxes or to comply with the terms of a conditional payment plan. It is the intent of your Committee that a license shall not be revoked, suspended, or refused renewal if the licensee is in the process of coordinating or finalizing with the Department of Taxation a conditional payment plan.

Testimony in support of the measure was received from: the Department of Taxation; the Contractors License Board of the Department of Commerce and Consumer Affairs; and The Chamber of Commerce of Hawaii. Testimony consisting of suggestions and comments was received from the Tax Foundation Of Hawaii.

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 S.B. No. 2912 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Hamakawa, Tom and White.

**SCRep. 968-96 Consumer Protection and Commerce on S.B. No. 2755**

The purpose of this bill is to authorize the Director of the Department of Commerce and Consumer Affairs (DCCA) to establish a trust fund for the purpose of administering fees and costs associated with the State Certified Arbitration Program (SCAP).

Testimony in support of the measure was received from the Regulated Industries Complaints Office of the DCCA.

Pursuant to Chapter 481I, the SCAP handles disputes concerning new motor vehicle warranties. The DCCA has been utilizing a temporary clearing account to handle the fiscal administration of the program. However, the temporary clearing account is a short-term, zero balance account, that is inappropriate for the program's needs. The SCAP is not a short-term program, nor have the fees and costs associated with the program resulted in a zero balance.

Your Committee finds that this bill will provide for the DCCA to establish and utilize a trust fund applicable to the SCAP.

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 S.B. No. 2755, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Hamakawa, Tom and White.

**SCRep. 969-96 Health on S.B. No. 2773**

The purpose of this bill is to protect the health of patients requiring anti-epileptic medication.

Specifically, this bill:

- (1) Prohibits a pharmacist from substituting an equivalent drug product for any anti-epileptic drug prescription, unless both the practitioner prescribing the drug and the patient or the patient's parent or guardian consent to the substitution;
- (2) Clarifies that only licensed practitioners (and not "prescribers") may prescribe drugs within the scope of their practice and that only licensed pharmacists (and not "dispensers") may dispense drugs;
- (3) Expands the conditions under which a pharmacist may not substitute an equivalent drug product, in filling or refilling a prescription, to include the following written or oral instructions by the prescribing practitioner: "brand medically necessary", "dispense as written", "brand", or "brand only";
- (4) Requires the pharmacist to note the practitioner's instructions on the prescription record;
- (5) With regard to a violation of the drug product selection law (part VI, chapter 328, Hawaii Revised Statutes):
  - (a) Makes it a misdemeanor;
  - (b) Imposes an administrative fine of no more than \$10,000;
  - (c) Allows the Director of Health to seek injunctive relief to prevent a violation; and
- (6) Requires the Department of Health to enforce the drug product selection law.

Your Committee received testimony supporting this bill from the Hawaii Medical Association, the Epilepsy Foundation of Hawaii, Longs Drug Stores, and one individual.

Your Committee finds that mandatory substitution of brand-name anti-epileptic medications with generic equivalents carries a significant risk to patients with seizure disorders. Anti-epileptic drugs have a narrow therapeutic range and are not easily substituted with generic drugs. Substitution generates unpredictable changes in patients' anti-epileptic medication blood levels which may lead to seizures or drug toxicity. As a result, patients with seizure disorders must be protected from mandatory generic drug substitution for anti-epileptic drugs.

Your Committee believes that this bill provides that protection, especially in that the bill makes it much easier for practitioners to make clear their instructions not to substitute. Your Committee wishes to emphasize however that, as also stated in the bill, this exception for anti-epileptic drug substitution is a narrow and medically necessary one and is not to be construed as a policy shift towards making exceptions for any other conditions. Your Committee recognizes that generic drug substitution is, overall, a sound economic way to provide quality care.

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 S.B. No. 2773, S.D. 1, and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representatives Saiki, Stegmaier and Anderson.

**SCRep. 970-96 Health on S.B. No. 2456**

The purpose of this bill, as received by your Committee, is to include advance practice registered nurses (APRNs) as service providers eligible for insurance reimbursement for certain mental health and substance dependence services.

Testimony in support of this measure was received from the Hawaii Nurses' Association, the Hawaii Psychological Association, and two nurses. The Department of Health, the Mental Health Association of Hawaii, and the Committee on Welfare Concerns testified in favor of the bill, but recommended it be amended to permit qualified social workers to also receive insurance reimbursement. Two representatives of the National Association of Social Workers and a University of Hawaii School of Social Work professor also requested such an amendment.

The Chamber of Commerce of Hawaii testified in opposition to this measure. The Hawaii Medical Association submitted testimony requesting that the bill be held until an evaluation of the financial cost of implementing the measure could be completed.

Testimony received by your Committee indicated that:

- (1) APRNs and clinical social workers are often just as qualified to provide certain types of mental health and substance abuse treatments as psychologists and psychiatrists;
- (2) APRNs and clinical social workers are recognized as independent providers of mental health services eligible for insurance reimbursement from federal programs, including Medicare and the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); and
- (3) Access to mental health and substance abuse services in areas where a shortage of such providers currently exists would improve if APRNs and clinical social workers are eligible for insurance reimbursement.

Accordingly, after careful consideration your Committee has amended this bill by:

- (1) Including clinical social workers as service providers eligible for insurance reimbursement for certain mental health and substance dependence services;
- (2) Providing a definition for "clinical social worker" for the purposes of this Act;
- (3) Requiring APRNs to possess a national nursing certification within a psychiatric or mental health specialty or subspecialty in order to be eligible for insurance reimbursement for providing mental health treatment services; and
- (4) Making technical, nonsubstantive revisions 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 S.B. No. 2456, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2456, H.D. 1, 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. 971-96 Consumer Protection and Commerce on S.B. No. 2728**

The purpose of this bill is to better protect the interested parties in escrow transactions by:

- (1) Increasing the minimum amount of the fidelity bond and the errors and omissions insurance policy for escrow depositories;
- (2) Providing for a flexible deductible amount, within the discretion of the Commissioner of Financial Institutions (Commissioner), for the fidelity bond and the errors and omissions insurance policy; and
- (3) Providing for the deposit of fees, penalties, and other charges assessed against escrow depositories into the Financial Institution Examiners' Revolving Fund.

Testimony in support of this measure was received from the Division of Financial Institutions of the Department of Commerce and Consumer Affairs.

The increase in the minimum amount of the fidelity bond and the errors and omissions insurance policy will more realistically reflect the dollar amount of present day escrow transactions.

The provision for flexible deductible amounts for fidelity bonds and errors and omissions insurance policies will enable the escrow depositories to more easily obtain bonding or insurance while at the same time enabling the Commissioner to tailor the deductible to a particular escrow company's size and the extent of its operations.

Additionally, because Chapter 449, Hawaii Revised Statutes, is administered by the Commissioner, all fees, penalties, and other charges assessed under that chapter should be deposited in the Financial Institution Examiners' Revolving Fund.

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 S.B. No. 2728 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Hamakawa, Tom and White.

**SCRep. 972-96 Consumer Protection and Commerce on S.B. No. 3052**

The purpose of this bill is to clarify legislative policy regarding the regulation and licensing of professions and vocations. Specifically, the bill amends section 26H-2, HRS, to provide that:

- (1) Regulation, through licensure or other restrictions, shall be retained or adopted when the health, safety, or welfare of the consumer may be jeopardized by the nature of the service offered by the provider;
- (2) Regulations that increase the cost of goods and services shall be avoided, except where the Legislature determines that the potential danger to the consumer of non-regulation outweighs the increased cost to the consumer;
- (3) Regulations that no longer benefit consumers, as determined by the Legislature, shall be eliminated; and
- (4) Fees shall be imposed on all vocations and professions subject to regulation, in an aggregate amount not less than the full cost of administering the regulatory program.

Testimony in support of the measure was received from the Professional and Vocational Licensing Division (PVL) of the Department of Commerce and Consumer Affairs (DCCA).

PVL is a self-sufficient division within DCCA that relies upon fees collected from regulated professions and vocations to support its operations. The division incurs both direct costs, i.e. costs related to a specific licensing program, and indirect costs, such as a central services assessment and an administrative services assessment paid on behalf of all its regulated programs to the state general fund.

Current law does not expressly authorize PVL to assess fees to cover its indirect costs. Your Committee finds that an amendment to section 26H-2 is necessary in order to enable the division to recover these costs and be truly self-sufficient. The other amendments proposed by the bill codify PVL's current practices, and therefore, do not require the division to modify its existing operations.

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 S.B. No. 3052 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Hamakawa, Tom and White.

**SCRep. 973-96 Consumer Protection and Commerce on S.B. No. 3188**

The purpose of this bill is to clarify the collection and payment responsibilities of the plan manager of time share associations by:

- (1) Requiring the plan manager to collect and pay real property taxes due on the time share units under the plan manager's authority; and
- (2) Specifying that, with respect to the collection and payment of the taxes, the plan manager is the agent of the owners of the individual units or temporal divisions under the plan manager's authority.

Additionally, the bill specifies that the right to contest or appeal any real property assessment applies to the plan manager and any person who has an interest in a time share unit.

Testimony in support of the measure was received from PAHIO Management, Inc., and the American Resort Development Association Hawaii.

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 S.B. No. 3188 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Hamakawa, Tom and White.

**SCRep. 974-96 Consumer Protection and Commerce on S.B. No. 2437**

The purpose of this bill is to amend the laws relating to the insurance premiums tax to benefit life insurance companies that employ Hawaii residents and that are subject to taxes imposed on employers in this state. Specifically, the bill:

- (1) Repeals the one percent insurance premiums tax credit to facilitate regulatory oversight authorized in section 431:7-207, HRS;
- (2) Increases the tax rate on gross life insurance premiums from 2.75 per cent to 3.197 per cent; and

- (3) Adds a new section to Article 7, Chapter 431, HRS, that provides for a credit against the insurance premiums tax in an amount equivalent to fifteen percent of salaries paid to resident employees, not to exceed sixty-five percent of the premiums tax due.

Testimony in qualified support of the bill was received from Island Insurance Companies. The Hawaii Domestic Preference Litigation Group testified in opposition to the bill. The Department of Taxation submitted testimony relating to section three of the bill, and comments on the measure were received from the Tax Foundation of Hawaii.

Act 236, SLH, 1992, eliminated the preferential insurance premiums tax rate for domestic insurers. However, the act also established a one per cent tax credit for domestic insurers commonly referred to as the "home office tax credit" because the criteria for qualifying for the credit includes maintaining books and records in Hawaii, employing personnel in the state knowledgeable about an insurer's financial operations, and maintaining a locally-based customer service center. After enactment of the law, forty-five foreign insurers sued the state, claiming the tax credit law was discriminatory. Insurance premiums taxes owed by the foreign insurers have been paid under protest into an escrow account pending resolution of their lawsuit. The Department of Taxation has recommended that the credit be repealed in order to promote equity among insurers, terminate the loss of revenue to the state in tax credits, and facilitate settlement of the tax credit litigation.

While this bill would repeal the one per cent tax credit applicable to domestic insurers, it would enact in its place an increase in the tax rate and a tax credit for salaries paid by insurers to its employees located or based within the state, in an amount up to sixty-five per cent of the taxes owed. Further, the criteria for qualifying for the fifteen per cent tax credit are almost identical to those for the one per cent tax credit being repealed by this bill.

Your Committee is concerned that the proposed new tax credit may constitute preferential tax treatment for domestic insurers. This position is shared by the foreign insurer litigants who testified that passage of this bill would jeopardize settlement of their lawsuit challenging the one per cent tax credit. Accordingly, and upon careful consideration, your Committee has amended this bill by replacing its contents with the language of H.B. No. 3560, H.D. 1, which repeals the one per cent insurance premiums tax credit to facilitate regulatory oversight.

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 S.B. No. 2437, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2437, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Hamakawa, Tom and White.

**SCRep. 975-96 Consumer Protection and Commerce on S.B. No. 2726**

The purposes of this bill are to:

- (1) Increase the foreign lender statement registration and annual fee from thirty dollars to fifty dollars, and to provide for the deposit of these fees and any other charges assessed against foreign lenders into the Financial Institution Examiners' Revolving Fund;
- (2) Clarify that the annual fees imposed by section 412:2-109, Hawaii Revised Statutes, on each financial institution and office will only be imposed on financial institutions subject to examination by the Commissioner of Financial Institutions, and that agency offices of these financial institutions are subject to the annual fee;
- (3) Clarify that applications to acquire a failing Hawaii financial institution will be considered in a manner giving priority to applicants whose operations, or the operations of their holding companies, are principally conducted either in Hawaii or in a qualifying state; and
- (4) Clarify that a small Hawaii depository institution is exempt from certain annual reporting requirements under section 412:3-112, Hawaii Revised Statutes.

Testimony in support of the bill was received from the Commissioner of Financial Institutions, Department of Commerce and Consumer Affairs.

Your Committee finds that the amendments proposed in this bill are warranted for the following reasons:

- (1) The fees assessed against foreign lenders and deposited into the Financial Institution Examiners' Revolving Fund will support the office of the Commissioner which administers part II of chapter 207 of the Hawaii Revised Statutes;
- (2) As originally enacted, section 412:2-109 inadvertently failed to include agency offices of financial institutions among the types of offices subject to assessment under subsections (g) and (h);
- (3) Existing language in section 412:2-503 could be interpreted to allow applications from foreign financial institutions and their foreign-based holding companies to acquire failing Hawaii financial institutions while prohibiting applications from U.S. financial institutions and their holding companies if their operations are principally conducted in the U.S., but outside of Hawaii or a qualifying state; and
- (4) The Federal Deposit Insurance Act exempts a category of smaller depository institutions from certain annual reporting requirements. Exempting this category of institutions from the Hawaii reporting requirements will harmonize state and federal reporting requirements for those institutions.

After careful consideration, your Committee has amended the bill by replacing its contents with the language of H.B. 3395, H.D.1.

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 S.B. No. 2726, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2726, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Hamakawa, Tom and White.

**SCRep. 976-96 Consumer Protection and Commerce on S.B. No. 2756**

The purpose of this bill is to conform Hawaii's law governing the priority of distribution of assets of an insolvent insurer with that of federal bankruptcy laws.

Testimony in support of this bill was received from the Insurance Division of the Department of Commerce and Consumer Affairs.

In a recent ruling by the U.S. Supreme Court in *Department of the Treasury v. Fabe*, the Court established priorities in the distribution of assets of an insolvent insurer. The Court found that preferences granted to policyholder claims and administrative expenses continue to be exempt from the federal McCarran-Ferguson Act; however, all other claims must follow federal bankruptcy laws.

This bill maintains the general order of priorities in distribution established in the Insurance Code, except where they conflict with federal law. Specifically, claims of the federal government have been moved before general creditors, and debts due to employees have been moved after federal claims. The definition of a "foreign guaranty association" has also been amended to clarify that such an entity must be created by the Legislature of another state.

Upon careful consideration, your Committee has amended this bill by replacing its contents with the language of H.B. No. 3424 H.D. 2.

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 S.B. No. 2756, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2756, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Hamakawa, Tom and White.

**SCRep. 977-96 Agriculture on H.R. No. 17**

The purpose of this resolution is to support the efforts of the Coordinating Group on Alien Pest Species (CGAPS) by urging:

- (1) The Governor to place high administrative priority on existing pest eradication and prevention programs, and the development and implementation of new programs recommended by CGAPS; and
- (2) The U.S. President and Congress to advocate legislation and program to eradicate alien pests and prevent their introduction into the State.

Testimony in support of this resolution was received from the Department of Agriculture, the Department of Health, Maui County Council, Hawaii Farm Bureau, The Nature Conservancy of Hawaii, and the Chairperson of the Melastome Action Committee of the Tri-Isle Resource Conservation & Development Council.

Your Committee recognizes the importance of continuing and supporting CGAPS' efforts to prevent new alien pest species from entering the State and to control pests that are already established. The seriousness and detrimental effect of these pests on the environment is evident as, on average, 20 new insect species enter Hawaii each year, of which ten species become established pests.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 17 and recommends that it be referred to the Committee on Energy and Environmental Protection.

Signed by all members of the Committee except Representative Halford.

**SCRep. 978-96 Agriculture on H.C.R. No. 16**

The purpose of this concurrent resolution is to support the efforts of the Coordinating Group on Alien Pest Species (CGAPS) by urging:

- (1) The Governor to place high administrative priority on existing pest eradication and prevention programs, and the development and implementation of new programs recommended by CGAPS; and
- (2) The U.S. President and Congress to advocate legislation and program to eradicate alien pests and prevent their introduction into the State.

Testimony in support of this concurrent resolution was received from the Department of Agriculture, the Department of Health, Maui County Council, Hawaii Farm Bureau, The Nature Conservancy of Hawaii, and the Chairperson of the Melastome Action Committee of the Tri-Isle Resource Conservation & Development Council.

Your Committee recognizes the importance of continuing and supporting CGAPS' efforts to prevent new alien pest species from entering the State and to control pests that are already established. The seriousness and detrimental effect of these pests on the environment is evident as, on average, 20 new insect species enter Hawaii each year, of which ten species become established pests.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 16 and recommends that it be referred to the Committee on Energy and Environmental Protection.

Signed by all members of the Committee except Representative Halford.

**SCRep. 979-96      Agriculture on H.R. No. 56**

The purpose of this resolution is to request the Governor and the Department of Agriculture (DOA) to:

- (1) Expedite the plant import rulemaking process; and
- (2) Finalize the Memorandum of Agreement between the DOA and the U.S. Department of Agriculture Animal and Plant Health Inspection Services for post-entry inspections of imported plant species in a timely manner (APHIS).

The Department of Agriculture (DOA), the Hawaii Farm Bureau, Plant It Hawaii, Inc., and a private citizen submitted testimony in support of this measure. In its testimony, the DOA indicated it is currently working toward finalizing both tasks by the end of the year, and that the Plant Import Rules were delayed due to the inclusion of user fees and regulations on Christmas tree importation.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 56 and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs.

Signed by all members of the Committee except Representative Halford.

**SCRep. 980-96      Agriculture on H.C.R. No. 45**

The purpose of this concurrent resolution is to request the Governor and the Department of Agriculture (DOA) to:

- (1) Expedite the plant import rulemaking process; and
- (2) Finalize the Memorandum of Agreement between the DOA and the U.S. Department of Agriculture Animal and Plant Health Inspection Services for post-entry inspections of imported plant species in a timely manner (APHIS).

The Department of Agriculture (DOA), the Hawaii Farm Bureau, Plant It Hawaii, Inc., and a private citizen submitted testimony in support of this measure. In its testimony, the DOA indicated it is currently working toward finalizing both tasks by the end of the year, and that the Plant Import Rules were delayed due to the inclusion of user fees and regulations on Christmas tree importation.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 45 and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs.

Signed by all members of the Committee except Representative Halford.

**SCRep. 981-96      Agriculture on H.R. No. 57**

The purpose of this resolution is to request the Governor to take necessary action to ensure that the lower Hamakua ditch be maintained as the principal source of irrigation water for the cultivation of prime agricultural land in Hamakua.

Your Committee received testimony in support of this resolution from the Department of Agriculture (DOA), provided that the bill's passage does not replace or adversely affect priorities in the DOA's Executive Biennium Budget. Testimony in support of this resolution was also received from the Hawaii Farm Bureau.

Upon careful consideration, your Committee has amended the resolution by:

- (1) Correcting the amount for the:
  - (a) Repair and restoration costs of the lower Hamakua ditch system, from \$9,000,000 to \$9,600,000;
  - (b) State's shared cost to repair and restore the ditch system, from \$9,500,000 to \$3,600,000;
- (2) Specifying that the Board of Agriculture (BOA), not the State, is a co-sponsor of the Hamakua ditch watershed project;

- (3) Deleting reference that the state actively pursue a resolution of the ownership of the lower Hamakua ditch system and initiate steps to acquire the ditch and adjacent land easements;
- (4) Specifying that the BOA is to work with affected landowners along the lower Hamakua ditch and water easements to ensure the maintenance of the ditch and the continued availability of water for agricultural purposes; and
- (5) 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 concurs with the intent and purpose of H.R. No. 57, as amended herein, and recommends that it be referred to the Committee on Water and Land Use Planning, in the form attached hereto as H.R. No. 57, H.D. 1.

Signed by all members of the Committee except Representative Halford.

**SCRep. 982-96      Agriculture on H.C.R. No. 46**

The purpose of this concurrent resolution is to request the Governor to take necessary action to ensure that the lower Hamakua ditch be maintained as the principal source of irrigation water for the cultivation of prime agricultural land in Hamakua.

Your Committee received testimony in support of this concurrent resolution from the Department of Agriculture (DOA), provided that the bill's passage does not replace or adversely affect priorities in the DOA's Executive Biennium Budget. Testimony in support of this concurrent resolution was also received from the Hawaii Farm Bureau.

Upon careful consideration, your Committee has amended the concurrent resolution by:

- (1) Correcting the amount for the:
  - (a) Repair and restoration costs of the lower Hamakua ditch system, from \$9,000,000 to \$9,600,000;
  - (b) State's shared cost to repair and restore the ditch system, from \$9,500,000 to \$3,600,000;
- (2) Specifying that the Board of Agriculture (BOA), not the State, is a co-sponsor of the Hamakua ditch watershed project;
- (3) Deleting reference that the state actively pursue a resolution of the ownership of the lower Hamakua ditch system and initiate steps to acquire the ditch and adjacent land easements;
- (4) Specifying that the BOA is to work with affected landowners along the lower Hamakua ditch and water easements to ensure the maintenance of the ditch and the continued availability of water for agricultural purposes; and
- (5) 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 concurs with the intent and purpose of H.C.R. No. 46, as amended herein, and recommends that it be referred to the Committee on Water and Land Use Planning, in the form attached hereto as H.C.R. No. 46, H.D. 1.

Signed by all members of the Committee except Representative Halford.

**SCRep. 983-96      Ocean Recreation and Marine Resources on S.B. No. 2408**

The purpose of this bill is to facilitate further discussion on appropriating funds to support the Hawaii chapter of the Pacific Congress on Marine Science and Technology (PACON International), a Hawaii-based, nonprofit ocean organization of marine scientist, technologist, and policy makers dedicated to marine science, technology, and policy in the Pacific Basin.

Testimony in support of this measure was received from the Department of Business, Economic Development & Tourism, PACON INTERNATIONAL, and other concerned citizens.

Your Committee supports PACON INTERNATIONAL's efforts for sharing state-of-the-art marine science research, technology, and policies among members of the Pacific Basin community.

Further, your Committee finds that funding this program will provide numerous benefits to the State, private industry, and the nation.

Therefore, your Committee has amended this bill by:

- (1) Making an appropriation of \$40,000.00 for fiscal year 1996 - 1997, conditioned on PACON INTERNATIONAL providing dollar-for-dollar matching funds; and
- (2) Deleting the appropriation for fiscal year 1997-1998;
- (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 Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2408, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2408, S.D. 1, H.D. 1, and be referred to the Committee on Intergovernmental Relations and International Affairs.

Signed by all members of the Committee.

**SCRep. 984-96 Ocean Recreation and Marine Resources on S.B. No. 2458**

The purpose of this bill is to provide for a better coordinated shoreline and ocean waters enforcement program by transferring the functions of the Marine Patrol Program from the Department of Public Safety (DPS) to the Department of Land and Natural Resources (DLNR).

DPS testified in support of this measure. DLNR also supported this bill and suggested an amendment. A representative from the commercial and recreational boating interests on Kauai also supported the intent of this bill.

Your Committee has amended this bill to clarify that conservation and resources enforcement officers shall enforce the rules relating to boating safety, conservation, and search and rescue. This amendment makes the responsibilities of the conservation and resources enforcement officers consistent with the powers and duties of the Board of Land and Natural Resources.

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 S.B. No. 2458, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2458, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 985-96 Labor and Public Employment on S.B. No. 2060**

The purpose of this bill is extend workers' compensation benefits to volunteer police chaplains.

Testimony in support of this measure was received from the Department of Labor and Industrial Relations, the Honolulu Police Department, the Hawaii County Police Department, the Maui County Police Department, the Kauai County Police Department, the State of Hawaii Organization of Police Officers, and two police chaplains.

Your Committee finds that volunteer police chaplains provide multifaceted and valuable services as counselors, crisis intervention workers, and informal mediators. They are subjected to the same daily hazards and dangers as police officers, serve unselfishly, and therefore are entitled to workers' compensation benefits.

Your Committee has made technical, nonsubstantive amendments to the bill 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 S.B. No. 2060, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2060, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Case.

**SCRep. 986-96 Labor and Public Employment on S.B. No. 2848**

The purpose of this bill is to transfer the cost of government services relating to Chapter 396, Occupational Safety and Health, Hawaii Revised Statutes, from all taxpayers to the actual users of these services.

This bill authorizes the Director of Labor and Industrial Relations to establish fees for:

- (1) The issuance of permits, certificates, or licenses;
- (2) The provision of records as well as record searches, reviews, and segregation;
- (3) The costs of training materials used in workshops; and
- (4) The costs of public notices required for variances and rule making.

The Department of Labor and Industrial Relations testified in support of this measure. The Hawaii Business League testified in opposition.

Your Committee finds that the establishment of these user fees would transfer the cost of services from all taxpayers to those directly affected by the services provided. Testimony from the Department of Labor and Industrial Relations estimated that this measure would result in total cost savings of approximately \$95,500--\$60,500 of which would be generated from the user fees and \$35,000 from staff time savings.

Your Committee has amended this bill 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 S.B. No. 2848, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2848, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 987-96 Labor and Public Employment on S.B. No. 2850**

The purpose of this bill is to permit voluntary withholding of federal and state income taxes from unemployment insurance (UI) benefit payments.

Since 1979, UI benefits have been taxable under federal and state laws. Public Law 103-465 imposed a requirement on all states to allow for the withholding of federal income taxes from a claimant's unemployment compensation at the claimant's option. This withholding requirement will be effective with benefit payments made after December 31, 1996. This bill also provides taxpayers the same withholding option with respect to the Hawaii income tax since UI benefits are also subject to the state income tax.

Federal law requires the State to authorize and implement voluntary withholding of federal income tax on January 1, 1997. Failure to comply will result in the denial of certification for the Federal Unemployment Tax Act (FUTA) tax offset credit and withholding of UI administrative grants. The Department of Labor and Industrial Relations testified that if this sanction is imposed, employers will face an increase from 0.8 to 6.2 percent in their FUTA payroll tax and jobless workers will not be able to collect UI benefits as UI operations will completely shut down.

The Department of Labor and Industrial Relations and the Department of Taxation testified in support of this measure. The Tax Foundation of Hawaii submitted comments.

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 S.B. No. 2850, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2850, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Case.

**SCRep. 988-96 Judiciary on S.B. No. 2187**

The purpose of this bill is to add manslaughter to the list of crimes for which an extended term of imprisonment may be given when the defendant inflicts serious or substantial bodily injury on a person sixty years or older, eight years or younger, or handicapped.

Your Committee received testimony in support of this bill from representatives of the Department of the Prosecuting Attorney of the City and County of Honolulu and the Honolulu Police Department. The Public Defender commented on this bill.

Your Committee finds that the addition of manslaughter to this enhanced sentencing statute is consistent with the policy to protect the more vulnerable people in our community.

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 S.B. No. 2187 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 Case, Hamakawa, Menor and Saiki.

**SCRep. 989-96 Judiciary on S.B. No. 2249**

The purpose of this bill, as received by your Committee, is to allow the Family Court to extend protective orders for up to three years from the date of the issuance of the original protective order and to include temporary custody orders within the scope of family court protective orders.

Your Committee received testimony in support of this bill from representatives of the Judiciary, the Domestic Abuse Clearinghouse, the Hawaii Medical Association, and Parents and Children Together. A representative of the Office of the Public Defender offered comments.

Your Committee finds that victims of domestic violence must be protected. Currently, the initial temporary restraining order is granted on the basis that a recent act or acts of abuse have occurred or that threats of abuse make it probable that acts of abuse may be imminent. A protective order may then be issued if the court determines that the respondent has failed to show cause why the order should not be continued and that the order is necessary to prevent domestic abuse or a recurrence of abuse. A protective order may be granted for a period of up to three years.

Under current law, a protective order may not be extended. If a protective order is granted for six months and the victim later decides that six months is too short a time, the victim must apply for a new protective order and show that there have been a recent act or acts of abuse or threats. While there may not be any new acts of overt aggression, there

still may be circumstances warranting the separation of the parties for a longer time period than that granted in the original protective order.

Your Committee believes that victims must be made to feel safe. Accordingly, your Committee has amended this bill to provide for multiple extensions of protective orders following a hearing in which the court is to consider not only evidence of abuse and threats of abuse, but all relevant events and circumstances occurring or in existence since the issuance of the preceding protective order. Such circumstances would include the victim's current fears for his or her physical and mental well-being, and the bases of those fears.

Your Committee has also amended this bill by:

- (1) Changing the title of section 586-5.5, Hawaii Revised Statutes (HRS), to refer to "extensions" rather than to "additional orders";
- (2) Retaining the language in section 586-5.5, HRS, which permits a court to "terminate protective orders at any time with the mutual consent of the parties";
- (3) Clarifying that orders establishing visitation and custody with regard to minor children of the parties included in a protective order or extension thereto are only temporary orders;
- (4) Clarifying that the second paragraph of proposed section 586-5.5(b), HRS, relates to extended protective orders; and
- (5) Deleting the provision in proposed section 586-5.5(b), HRS, that provides for the extension of a protective order with the mutual consent of the parties to avoid an inference that a protective order may only be extended by mutual consent.

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 S.B. No. 2249, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2249, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives White, Hamakawa, Menor and Saiki.

**SCRep. 990-96 Health on S.B. No. 2215**

The purpose of this bill is to:

- (1) Prohibit the Department of Health (DOH) from interfering with certain functions and activities of the State Planning Council on Developmental Disabilities (Council);
- (2) Clarify that the Council's duties include evaluating the plans for the deinstitutionalization of Waimano Training School and Hospital;
- (3) Eliminate the Council's responsibility to serve as a channel for complaints by consumers of services for individuals with developmental disabilities; and
- (4) Require the Council to submit annually to the Legislature and the Governor an analysis of any budget request that affects or will affect individuals with developmental disabilities.

The Council testified in support of this bill. The DOH submitted testimony stating that it concurred with the general principle of noninterference. Opposing testimony was received from the Department of Budget and Finance and the Hawaii Government Employees Association.

Your Committee received testimony indicating that the provision in the bill which repeals the prohibition against interference with the Council on June 30, 1997, may be inconsistent with federal law.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the sunset provision repealing the prohibition against interference with the Council on June 30, 1997;
- (2) Revising the language prohibiting interference with the Council so that it more closely tracks the federal statute; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2215, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2215, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 991-96 Health on S.B. No. 2750**

The purposes of this bill are to:

- (1) Clarify the practice of the Board of Pharmacy with respect to the restoration of forfeited licenses;
- (2) Require pharmacists applying for licensure through reciprocity to have passed the same national examinations as those required of applicants in Hawaii at the time of licensure in the other state; and
- (3) Allow those applicants to fulfill only those requirements that they are lacking, rather than requiring them to fulfill all requirements anew, and allow them to receive a temporary permit while they are doing so.

Testimony in support of the bill was received from the Board of Pharmacy and Longs Drug Stores. The Department of Health submitted testimony in support of the bill with suggestions for additional amendments.

Upon careful consideration, your Committee has amended the bill by using the suggestion provided by the Department of Health. The amendments are:

- (1) Including pharmacy interns in Section 326-16 and Section 328-1.
- (2) Changing the word "prescriber" to "practitioner" as it appears throughout the 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 S.B. No. 2750, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2750, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 992-96 Health on S.B. No. 3098**

The purpose of this bill is to provide osteopathic physicians with the same professional status and recognition accorded to doctors of medicine.

Your Committee finds that the academic and practical training received by osteopathic physicians and doctors of medicine are identical in nearly every respect. Osteopathic medicine is recognized almost universally in the United States as a profession equivalent to the practice of medicine. Your Committee further finds that most--but not all--of Hawaii's laws relating to medicine and surgery place osteopathic physicians on equal footing with doctors of medicine. This bill clarifies the confusion by providing these doctors with the same professional rights and health care privileges accorded to doctors of medicine under the law.

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 S.B. No. 3098, S.D. 1, 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. 993-96 Human Services on S.B. No. 2856**

The purpose of this bill is to abolish the Office of Children and Youth (OCY).

The Governor's Office presented an overall plan for the restructuring of the Governor's Office that emphasizes downsizing and the transfer of certain functions and personnel to other agencies. A relatively small staff would remain in the Governor's Office for the purpose of policy development, planning, and evaluation. In this plan, OCY would be dissolved, along with other offices.

OCY supported the reorganization plan presented by the Governor's Office and proposed amendments that would transfer certain functions and positions to other agencies, while retaining certain other positions in the Governor's Office.

The Hawaii Government Employees Association testified that the bill should be amended to include the transfer of all positions and staff.

Your Committee believes that issues affecting children and youth are a priority of the State and that certain essential functions of the OCY must be preserved by transferring to other agencies certain functions, personnel, and funds, while retaining certain positions and funds in the Office of the Governor when OCY is dissolved. Your Committee has accepted the amendments proposed by OCY and has amended the bill by:

- (1) Adding a section describing the purpose of the bill;
- (2) Revising section 296-83, Hawaii Revised Statutes (HRS), by deleting OCY as an agency with which the Department of Education must work to develop an early education plan;
- (3) Revising section 321-353, HRS, by replacing representation from OCY with representation from the Office of the Governor on the Hawaii Early Intervention Coordinating Council;
- (4) Revising section 321D-1, HRS, by replacing OCY representation with representation from the Office of the Governor on the Statewide Interdepartmental Cluster for Services to Children;

- (5) Revising section 350B-6, HRS, by removing OCY representation on the advisory committee for the Hawaii Children's Trust Fund;
- (6) Revising section 367-4, HRS, by removing OCY representation from the county committees on the status of women;
- (7) Requiring all funds and materials related to functions that are transferred to be transferred with those functions;
- (8) Specifying that:
  - (a) Three positions be transferred from the OCY to the Department of Human Services (DHS);
  - (b) Three positions be transferred from the OCY to the Office of Youth Services; and
  - (c) Four positions remain in the Office of the Governor;
- (9) Ensuring that employees who are transferred retain the same job status;
- (10) Stating that the intent of the bill is neither to jeopardize the receipt of federal aid nor impair the obligation of the State to any person;
- (11) Providing that laws in conflict with the bill are to be amended to conform with the bill; and
- (12) Designating a special assistant for children and youth in the Office of the Governor.

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 S.B. No. 2856, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2856, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 994-96 Human Services on S.B. No. 2859**

The purpose of this bill, as received by your Committee, is to integrate the Executive Office of Aging (EOA) within the Department of Human Services (DHS).

Catholic Charities of the Diocese of Honolulu, the Assisted Living Task Force, and numerous private citizens submitted testimony in favor of this bill. Opposing testimony was received from the Hawaii Government Employees Association, the Coalition for Affordable Long-Term Care Family Hope Coalition, and the American Association of Retired Persons. The Office of the Governor, the EOA, and the Department of Health (DOH) submitted testimony requesting that the bill be amended to attach the EOA to the DOH for administrative purposes.

Your Committee finds that placing the EOA with the DHS will permit the more effective and efficient delivery of services to the older adult population as the DHS already has various programs and services serving the elderly currently in place. However, your Committee is concerned that integrating the EOA within the DHS, eliminating its director position, and transferring all of its functions and duties to the DHS without transferring any of its personnel may impair its ability to act as the only major statewide advocate for the needs of the elderly.

Accordingly, after careful consideration your Committee has amended this bill by:

- (1) Attaching the EOA to the DHS for administrative purposes, rather than to place it within the DHS;
- (2) Retaining the position of the director of the EOA;
- (3) Specifying that a special assistant on aging within the Office of the Governor is to be responsible for policy development, monitoring, and evaluation of the elder population;
- (4) Deleting the provision transferring all of the rights, powers, functions, and duties of the EOA from the Office of the Governor to the DHS;
- (5) Transferring the personnel of the EOA to the DHS and preserving certain employee rights of any such transferred personnel;
- (6) Inserting a section to deal with any conflict of law which may arise as a result of the passage of this Act;
- (7) Requiring the Legislative Reference Bureau to conduct a study to assess the most effective organizational placement of the EOA within the executive branch of government and to report back to the Legislature with its findings and recommendations; and
- (8) Making technical, nonsubstantive revisions for purposes of style, clarity, and consistency.

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 S.B. No. 2859, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2859, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 995-96 Energy and Environmental Protection and Ocean Recreation and Marine Resources on S.B. No. 659**

The purpose of this bill is to limit the liability of any person under environmental response law for any release of heavy fuel oil from a tank barge carrying heavy fuel oil interisland.

Testifying in favor of the measure before your Committees were the Department of Health (DOH) and the Department of Business, Economic Development and Tourism (DBEDT), both of which qualified their support by opposing the cap on liability in perpetuity; Hawaii Interisland Towing, Inc.; Marsh & McLennan, Inc.; and Hawaiian Electric Co., Inc.

The DOH in its testimony suggested that a minimum level of liability coverage be mandated of any carrier. Your Committees agreed with the reluctance of both DOH and DBEDT in granting a cap on liability in perpetuity, but are cognizant of the present economic circumstances surrounding this proposed measure, which are compelling enough to letting the present law remain in effect for the time being, provided that the present level of coverage continues.

Your Committees have therefore agreed to allow the status quo to continue for another three years beyond the original repeal date for Act 130, Session Laws of Hawaii 1992. Testimony from Marsh & McLennan indicated that the \$700,000,000 figure is the current maximum available level of insurance coverage, so S.B. No. 659, S.D. 3 has been amended by amending page 1, line 8 to require liability coverage to be not less than \$700,000,000 or the maximum available level of insurance coverage, whichever is greater. Section 4 has also been amended to allow the Act to be repealed on June 30, 1999. This will allow the Legislature to revisit the issue in three years to see if conditions or circumstances warrant either continuing or discontinuing the cap on liability.

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 S.B. No. 659, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 659, S.D. 3, H.D. 1, and be referred to the Committees on Judiciary and Consumer Protection and Commerce.

Signed by all members of the Committees except Representatives Kanoho, Nekoba, Takamine, Anderson, Meyer and Thielen.

**SCRep. 996-96 Education and Higher Education and the Arts on S.B. No. 3202**

The purpose of this bill, as received by your Committees, is to promote charitable contributions of educational technology equipment and services.

Your Committees heard testimony in support of this bill from the University of Hawaii, the Department of Education, and GTE Hawaiian Telephone Incorporated. The Department of Taxation and the Tax Foundation of Hawaii submitted testimony against this measure.

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 S.B. No. 3202, S.D. 2 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Takamine, Yonamine and Halford.  
(Representative Pepper voted no.)

**SCRep. 997-96 Education on S.B. No. 2145**

The purpose of this bill is to allow the Department of Education to enter into any lease or lease-purchase agreement for the acquisition of public school facilities, including any lands, subject to the disapproval by the Legislature.

The Department of Education submitted testimony in support of the intent of this measure.

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

- (1) Providing that appropriations or authorization from the State Educational Facilities Improvement Special Fund be expended by the Superintendent of Education;
- (2) Providing that the Department of Education submit an annual report to the Legislature;
- (3) Authorizing the Superintendent of Education to enter into contracts, lease-purchase agreements, or other transactions necessary for the acquisition of public school facilities;
- (4) Deleting the provision that any lease or lease-purchase agreement is subject to disapproval by the Legislature; and
- (5) Deleting the requirement that the Department of Education submit a Resolution for introduction to the Legislature for review of action on any lease or lease-purchase agreement.

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 S.B. No. 2145, S.D. 1, as amended herein, and recommends that

it pass Second Reading in the form attached hereto as S.B. No. 2145, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Shon, Takamine and Halford.

**SCRep. 998-96 Education on S.B. No. 2083**

The purpose of this bill is to improve the effectiveness of the School Security Attendant Program by making the Department of Education and the Department of Public Safety jointly responsible for the training of all school security attendants.

The Department of Public Safety submitted testimony in support of this measure. The Department of Education submitted testimony concurring with the intent of this measure.

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

- (1) Clarifying that the training curriculum for school security attendants include the minimum requirements as described by the position description;
- (2) Clarifying that the Department of Education is to provide training to improve job skills, interaction with students and faculty, and knowledge of school rules; 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 S.B. No. 2083, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2083, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Lee, Takamine and Yonamine.

**SCRep. 999-96 Education on S.B. No. 2087**

The purpose of this bill, as received by your Committee, is to:

- (1) Exempt procurements of less than \$5,000 by public schools for goods, services, and construction from the Hawaii Public Procurement Code; and
- (2) Authorize the operation of for-profit student-run enterprises at schools in addition to the for-profit agricultural and industrial pursuits currently permitted by law.

The Department of Education (DOE) submitted testimony in support of the intent of this bill. The State Procurement Office testified in opposition to the procurement exemption proposed by this measure stating that the DOE already has sufficient flexibility under the present law to procure goods and services efficiently and effectively.

Accordingly, your Committee has amended this bill by deleting its contents and inserting therefor provisions to:

- (1) Establish within the State treasury the School Entrepreneurship Special Fund into which shall be deposited all moneys derived from school-run business ventures;
- (2) Require that the DOE establish one school-run business venture in the Central Departmental School District during the 1996-97 school year to grow shiitake mushrooms on former sugar cane lands in Waialua; and
- (3) Permit the DOE to establish additional school-run business ventures during the 1997-98 school 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 S.B. No. 2087, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2087, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Shon, Takamine and Halford.

**SCRep. 1000-96 Education on S.B. No. 2209**

The purpose of this bill is to give the Hawaii State Public Library System (HSPLS) flexibility in human resources management.

Under the provisions of this bill, the State Librarian will be allowed to reallocate existing vacant positions, take internal reorganization actions, create temporary positions as necessary, authorize position classifications, and conduct recruitment.

The State Board of Education testified in support of the bill.

Providing more flexibility in human resources management will assist the HSPLS in its continual implementation of the project, "State Library Innovation Model: Maximizing Employees and Revenues (SLIMMER)".

Your Committee also finds that providing the State Librarian with this authority will aid in HSPLS efforts to streamline its operations, reduce administrative costs, allow reinvention of its services, and meet library users' literacy and life-long learning 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 S.B. No. 2209, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Shon, Takamine and Halford.

**SCRep. 1001-96 Education on S.B. No. 2210**

The purpose of this bill is to repeal the sunset provision of Act 327, Session Laws of Hawaii 1993, which established an enhanced services special fund. This measure will ensure that the "State Library Innovation Model: Maximizing Employees and Revenues (SLIMMER)" project will continue.

The Hawaii State Librarian testified in support of this bill. The Department of Budget and Finance opposed this measure.

Your Committee understands that Project SLIMMER was developed by the public library system to improve and support library services. Your Committee also recognizes that through Project SLIMMER, library services have been enhanced and that this program's success is indicative of its promising future.

The revenues from the public library's enhanced services are deposited into a special fund that supplements money from the general fund and enables the public library system to streamline operations while maintaining the quality of services to the public.

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 S.B. No. 2210, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Shon, Takamine and Halford.

**SCRep. 1002-96 Education on S.B. No. 2211**

The purpose of this bill is to allow the Department of Education to initiate the next viable school construction project or projects approved by the Board of Education and authorized by the Legislature from the supplemental project list if the initiation of a project authorized by the Legislature from the priority list is delayed.

In addition, this bill:

- (1) Provides that the supplemental list project that is being initiated cannot exceed either the total cost or cash flow requirements of the priority list project that is being replaced;
- (2) Repeals the law allowing the state Educational Facilities Improvement Special Fund to be used for those activities intended to eliminate the gap between the facility needs of schools and available resources; and
- (3) Repeals the law subjecting expenditures from the special fund to specific provisions of the quarterly allotment system (sections 37-31 and 37-33 through 37-4, Hawaii Revised Statutes).

Your Committee finds that this bill will facilitate the more timely expenditure of available capital improvement project funding by allowing projects that are stopped or delayed to be replaced with projects that are ready to be constructed.

Your Committee has amended this bill by:

- (1) Giving authority to initiate a supplemental list project to the Department of Education; and
- (2) Making technical, nonsubstantive changes 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 S.B. No. 2211, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2211, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Shon, Takamine and Halford.

**SCRep. 1003-96 Education on S.B. No. 3217**

The purpose of this bill is to permit improvement in the delivery of technology in public schools by providing that of the \$90,000,000 in general obligation bond funds deposited into the State Educational Facilities Improvement Special Fund (Fund), no less than \$5,000,000 be expended for the development of technology infrastructure.

The Hawaii State Teachers Association and the principal of Aliiolani School submitted testimony in support of this measure. The Department of Education submitted testimony in recognition of the intent of this measure.

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

- (1) Providing that beginning July 1, 1996, all interest income up to \$5,000,000 earned on the revenues deposited into the Fund be earmarked for expenditures to provide all public schools with the necessary infrastructure, products, and services to utilize modern data, voice, and video technology;
- (2) Deleting the provision requiring the deposit of \$90,000,000 in general obligation bond funds, rather than a portion of all general excise tax revenues; and
- (3) Deleting the provision that no less than \$5,000,000 of the \$90,000,000 in general obligation bond funds be expended for the development of technology infrastructure.

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 S.B. No. 3217, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3217, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Shon, Takamine and Halford.

**SCRep. 1004-96 Hawaiian Affairs and Housing on S.B. No. 2068**

The purpose of this bill is to authorize the Housing Finance and Development Corporation (HFDC) to issue revenue bonds for up to \$125,000,000, to finance the development of infrastructure on land owned by HFDC.

HFDC submitted testimony in support of the bill and proposed amendments to it.

Several agencies submitted testimony recommending the insertion of the substance of House bills that were heard and approved by your Hawaiian Affairs and Housing Committee, but did not cross over to the Senate, as follows:

- (1) Oahu Alliance for the Mentally Ill, Inc. recommended the insertion of the substance of H.B. No. 3161, H.D. 1, which provides supportive housing for people who are mentally ill to enable them to live productively in the community; and
- (2) The Hawaii Catholic Conference and the Affordable Housing and Homeless Alliance recommended the insertion of the substance of H.B. 2749, H.D. 1, which transfers ten per cent of the interest earnings from the Dwelling Unit Revolving Fund and the Homes Revolving Fund to the Rental Housing Trust Fund for three years.

In addition, the Hawaii Catholic Conference also recommended integrating into the bill the purpose section of H.B. 4132, H.D. 1, if not its entire substance. H.B. 4132, H.D. 1 was heard and approved by your Committee on Hawaiian Affairs and Housing.

In consideration of the testimony presented, your Committee has amended the bill by:

- (1) Integrating the substance of H.B. 4132, H.D. 2, which was heard by House committees and approved by the entire House. H.B. No. 4132, H.D. 2, consolidates the Housing Finance and Development Corporation (HFDC) and the Hawaii Housing Authority in a new Office of Housing;
- (2) Placing the Office of Housing in the Department of Human Services rather than in the Department of Business, Economic Development, and Tourism;
- (3) Transferring the Rental Housing Trust Fund from the Department of Budget and Finance to the Department of Human Services;
- (4) Applying the substance of S.B. No. 2068, S.D. 2, to the new Office of Housing;
- (5) Adding the substance of H.B. No. 3161, H.D. 1;
- (6) Adding the substance of H.B. No. 2749, H.D. 1, except that twenty per cent rather than ten per cent of the interest earnings from the Dwelling Unit Revolving Fund and the Homes Revolving Fund is transferred to the Rental Housing Trust Fund; and
- (7) Using the purpose section of H.B. No. 4132, H.D. 1, and revising it to conform with the substance 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 S.B. No. 2068, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2068, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1005-96 Hawaiian Affairs and Housing on S.B. No. 2144**

The purpose of this bill is to preserve and protect the integrity and appearance of cultural landscapes and sites. The bill broadens the purpose of establishing conservation easements in order to provide incentives to landowners who choose to help protect the environment and preserve cultural resources.

The Department of Land and Natural Resources supports the bill but provided some suggested amendments to include historic properties and also to include traditional and family cemeteries. The testimony suggested that the bill specify that the intent is to preserve and protect resources of indigenous "native Hawaiian" culture. The Office of Hawaiian Affairs submitted supportive testimony with similar suggested amendments.

The Land Use Research Foundation and the Hawaii Association of Realtors submitted testimony in support of this bill. No testimony in opposition to this bill was received.

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

- (1) Including within the criteria for conservation easements references to "historic properties" as defined in section 6E-2;
- (2) Including references to "traditional and family cemeteries;"
- (3) Specifying that the culture being referred to is the "native Hawaiian" culture; and
- (4) Making technical, non-substantive changes for purposes of 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 S.B. No. 2144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2144, H.D. 1, and be referred to the Committee on Water and Land Use Planning.

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

**SCRep. 1006-96 Hawaiian Affairs and Housing on S.B. No. 2866**

The purpose of this bill is to authorize the transfer of certain parcels of land from the Housing Finance and Development Corporation's (HFDC) Villages of Kapolei to the Department of Hawaiian Home Lands (DHHL) in lieu of a portion of the payments due DHHL under Act 14, Special Session Laws of Hawaii 1995.

The Office of the Governor and the Department of Budget and Finance supported this bill and suggested amendments. DHHL supported the intent of this bill, and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Including certain parcels of the Villages of Laiopua in Kealahou on the island of Hawaii for transfer to DHHL;
- (2) Inserting the tax map key numbers for both sites;
- (3) Specifying that the transfer of these lands and improvements shall not bridge or violate the trust entitlement due the Office of Hawaiian Affairs from these lands and improvements; and
- (4) Correcting drafting errors.

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 S.B. No. 2866, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2866, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1007-96 Hawaiian Affairs and Housing on S.B. No. 2262**

The purpose of this bill is to allow the family courts to use the practice of ho'oponopono, implemented by a haku, or well-respected unbiased individual, as one of the informal adjustment options for status offenders. Status offenses include runaways and curfew violations.

Testimony in support of this bill was received from the Office of Hawaiian Affairs and the Judiciary.

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 S.B. No. 2262, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1008-96 Hawaiian Affairs and Housing on S.B. No. 2421**

The purpose of this bill is to allow the Department of Hawaiian Home Lands to negotiate the lease of Hawaiian home lands through public auction. This bill expands the bid process by adding an open bid process (auction) to the currently allowed sealed bid process in the leasing of Hawaiian home lands.

The Department of Hawaiian Home Lands (DHHL) testified that it has no objection to this bill. It has been the finding of the DHHL that the sealed bid process has lead to excessively high bidding and consequently high lease payments for

native Hawaiians. The open bid process allows for competitive bidding for native Hawaiians and avoids the costly lease agreements.

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 S.B. No. 2421, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1009-96 Hawaiian Affairs and Housing on S.B. No. 2715**

The purpose of this bill is to generally require rental subsidy recipients to pay a greater share of their rent. This bill increases the maximum share paid by the program recipients from twenty percent to thirty percent.

Testimony in support of this bill was received from the Hawaii Housing Authority.

Your Committee recognizes that conforming the rental assistance programs to national standards would allow more participants to receive rental subsidies.

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 S.B. No. 2715, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1010-96 Hawaiian Affairs and Housing on S.B. No. 3057**

The purpose of this bill is to allow the Kaho'olawe Island Reserve Commission (KIRC) to hire its own legal counsel instead of requiring it to rely upon the State Office of the Attorney General.

The State Attorney General opposed the measure on the grounds that (1) a single attorney would not be able to provide the vast legal counsel required of the KIRC; (2) representation by a single agency would promote consistent interpretation of law; (3) prevents KIRC from taking advantage of the collaborative efforts of various groups which the Office of the Attorney General accesses; (4) the Attorney General already has the authority to hire outside counsel; (5) private attorneys are expensive; (6) no conflict exists due to professional practices in place which allows for the representation of various parties regarding the same issue.

The KIRC testified in support of the measure. Currently the Attorney General's Office provides a 10-20 percent of the time Deputy Attorney General to represent the KIRC. The KIRC urged passage of the bill citing various administrative delays on the part of the Attorney General's office in providing legal counsel and also the potential conflict-of-interest posed if the interests of the Reserve are contraposed to those of the State. The Attorney General has proposed providing a full time Deputy Attorney General to the KIRC but would require that 100% of the costs be covered by KIRC's federal 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 S.B. No. 3057, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1011-96 Human Services on S.B. No. 2797**

The purpose of this bill is to exempt funds provided by the United States Department of Agriculture for the special supplemental nutrition program for women, infants, and children (WIC) from being deposited into the State treasury.

The Department of Human Services (DHS) testified in favor of this bill.

Your Committee finds that the current vendor payment system utilized by DHS is cumbersome, inefficient, and highly labor-intensive as it requires the manual processing of over 55,000 WIC vouchers a month. However, by exempting WIC funds from deposit into the State treasury, DHS will be able to implement a new cost-effective vendor payment system which is currently in use in over thirty-five states. Accordingly, your Committee is in accord with the intent and purpose of this bill.

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 S.B. No. 2797, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1012-96 Human Services and Health on S.B. No. 2388**

The purpose of this bill is to create a unified single entry point system for elderly and disabled persons to obtain access to, and obtain a full range of appropriate services from, the long-term care system in Hawaii.

Testimony was received from the Hemophilia Foundation of Hawaii, Assisted Living Options Task Force, Advocates for Independent Living, and two individual citizens in support of this measure. The State Planning Council on

Developmental Disabilities, the Executive Office on Aging, The Coalition for Affordable Long Term Care (Family Hope Coalition), Catholic Charities Elderly Services, and one individual submitted testimony in support of the intent of this measure.

The Department of Human Services did not support nor oppose this measure. The department is willing to coordinate all services for the elderly and disabled and will work with consumers as well as other private and state agencies to accomplish a single entry point system for long-term care. The Department of Health submitted testimony in opposition to this measure in its current form.

It is noted by your Committees that a unified single entry point system for elderly and disabled persons to obtain appropriate services is greatly needed in Hawaii. This system will diminish the problem of duplication and fragmentation of services and it will make it easier for the elderly and disabled to get the help they need in a timely manner.

Your Committees have amended this bill by removing the contents of SB 2388, SD2, and replacing it with the contents of HB 2995, HD2. The purpose of the House Draft 1 is to create a temporary, ad hoc coordinating committee to design and develop a single entry point system for long-term care, including nursing home care and home- and community-based supports, for the elderly and disabled.

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 S.B. No. 2388, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2388, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Kahikina, Stegmaier, Anderson and Kawanakoa.

**SCRep. 1013-96      Judiciary on S.B. No. 2875**

The purpose of this bill as received by your Committee is to provide for absentee voting services in an area affected by a natural disaster.

Favorable testimony with suggested amendments was received by your Committee from the Office of Elections. Opposition was voiced by members of the Citizen's Committee for Voter Integrity.

Your Committee finds that the original provisions in H.B. 3595, H.D.1, were preferable to the language in the companion Senate Bill. Therefore, the bill has been amended to reflect a reference to precincts only and delete the inclusion of districts or counties in the appropriate section of the statutes.

Suggested amendments by the Office of Elections were included to set procedures for supplying additions ballots while Section 3 of the bill was deleted as it did not relate to the title of the bill, absentee balloting, but instead concerned the subject of elections generally.

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 S.B. No. 2875, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2875, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Hamakawa, McMurdo, Menor and Saiki.

**SCRep. 1014-96      Judiciary on S.B. No. 2979**

The purpose of this bill is to appropriate funds for the implementation of video arraignment and conferencing hearings in the district courts of the second, third, and fifth circuits.

The Judiciary testified in support of this measure.

Your Committee has amended the bill by appropriating \$1 for the purpose of further discussion.

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 S.B. No. 2979, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2979, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Hamakawa, Menor and Saiki.

**SCRep. 1015-96      Judiciary on S.B. No. 2471**

The purpose of this bill, as received, was to increase the statute of limitations under the Hawaii Penal Code for felony fraud and breach of fiduciary obligation, and to amend certain extensions of the statute of limitations.

Your Committee received testimony in support of this bill from a representative of the Honolulu Police Department. Testimony raising concerns about this bill was received from a representative of the Office of the Public Defender.

Your Committee finds that the investigation of fraud can be a complicated and long, drawn-out process in which the investigator follows the paper trail step-by-step as each new lead is uncovered. Fraud cases can involve many victims and large losses. These cases should not be ended before getting off the ground because of statutory time limitations.

However, not all prosecutions involving felony fraud or a breach of fiduciary duty require such in-depth investigation. Therefore, your Committee has amended this bill by deleting the language which provides that all such prosecutions have a six-year statute of limitations. Your Committee feels that the extension of time for such cases adequately addresses that issue without creating a new statute of limitations period.

Your Committee has amended this bill by changing the extension of time for offenses, an element of which is fraud or breach of fiduciary obligation, from four years to three years from discovery. Three years should be enough time for the case to be indicted.

However, your Committee feels that the outside limit for charging such cases should be extended by six years rather than by four years, and has made that amendment.

Your Committee has also clarified the language relating to the extension of the statute of limitations for offenses involving fraud and breach of fiduciary obligation, offenses involving misconduct in office by a public officer or employee and cases in which the accused is continuously absent from the State or not reasonably locatable in the State, by stating that those extensions shall begin from the expiration of the period of limitation prescribed in subsection (2). Thus, a prosecution must begin for a class B or C felony within nine years from the occurrence of the fraud or breach of fiduciary obligation, or twelve years from the date of occurrence of a class A offense involving that type of offense.

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 S.B. No. 2471, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2471, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives White, Cachola, Hamakawa, Herkes, Menor, Saiki and Yoshinaga.

**SCRep. 1016-96      Judiciary on S.B. No. 2783**

The purpose of this bill is to amend the sunset date for drug demand reduction assessments.

Your Committee received testimony in support of this bill from representatives of the Honolulu Police Department and the Department of Health. Representatives of the City and County of Honolulu Department of the Prosecuting Attorney and the Office of the Public Defender recommended amendments to the bill.

Your Committee finds that more time is needed to determine the effectiveness of the drug demand assessment program. However, two years should provide adequate time for such a determination and will allow for an earlier review of the program than the proposed three years. Accordingly, your Committee has amended this bill to reflect that Act 205, Session Laws of Hawaii 1995, will be repealed on June 30, 1998.

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 S.B. No. 2783, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2783, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hamakawa, Herkes, Menor, Saiki and Yoshinaga.

**SCRep. 1017-96      Energy and Environmental Protection on H.R. No. 41**

The purpose of this House Resolution is to denounce the French government's nuclear testing in the Pacific and to call upon the French government to fund environmental monitoring efforts.

Testimony in support of the resolution was received by the Honolulu City Councilmember from Council District 1 and a concerned citizen.

Your Committee finds that the United States of America once performed nuclear and atomic testing in the Pacific (Bikini Atoll, 1946, and Eniwetok Atoll, 1948-1954). However, your Committee also finds that the nations of the world have since recognized the irreparable environmental damage caused by nuclear and atomic testing. Such recognition is illustrated (as early as 1963) by the first test-ban treaty (also known as the Moscow Agreement) which banned testing in the atmosphere, in outer-space, and underwater.

Most notably, however, your Committee finds that in commencing with nuclear testing in the Pacific, the French government blatantly disregarded the environmental concerns of all of the Pacific nations.

As affirmed by the record of vote of the members of your Committee on Energy and Environmental Protection that are attached to this report, your Committee concurs with the intent and purpose of H.R. No. 41 and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs.

Signed by all members of the Committee except Representatives Kanoho, Santiago, Takamine and Yoshinaga. (Representative Meyer voted no.)

**SCRep. 1018-96      Energy and Environmental Protection on H.C.R. No. 34**

The purpose of this House Concurrent Resolution is to denounce the French government's nuclear testing in the Pacific and to call upon the French government to fund environmental monitoring efforts.

Testimony in support of the concurrent resolution was received by the Honolulu City Councilmember from Council District 1 and a concerned citizen.

Your Committee finds that the United States of America once performed nuclear and atomic testing in the Pacific (Bikini Atoll, 1946, and Eniwetok Atoll, 1948-1954). However, your Committee also finds that the nations of the world have since recognized the irreparable environmental damage caused by nuclear and atomic testing. Such recognition is illustrated (as early as 1963) by the first test-ban treaty (also known as the Moscow Agreement) which banned testing in the atmosphere, in outer-space, and underwater.

Most notably, however, your Committee finds that in commencing with nuclear testing in the Pacific, the French government blatantly disregarded the environmental concerns of all of the Pacific nations.

As affirmed by the record of vote of the members of your Committee on Energy and Environmental Protection that are attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 34 and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs.

Signed by all members of the Committee except Representatives Kanofo, Santiago, Takamine and Yoshinaga.  
(Representative Meyer voted no.)

**SCRep. 1019-96 Consumer Protection and Commerce and Judiciary on S.B. No. 2340**

The purpose of this bill is to establish licensing, registration, and reporting requirements for hunting guides, and to enable the Department of Land and Natural Resources (DLNR) to monitor hunting guide activities in the state. Specifically, the bill requires that hunting guides:

- (1) Obtain a State of Hawaii hunting license, successfully complete the state hunter safety course, show proof of compliance with the first two requirements, and register with DLNR;
- (2) Provide service only to persons with a current Hawaii state hunting license, unless the requirement is exempted; and
- (3) Submit an annual report to DLNR within thirty days after the expiration of their licenses.

Additionally, the bill establishes penalties for violations of the licensing, registration, and reporting requirements, and a reduced fee schedule for nonresident hunters who hunt on a private or commercial preserve for one day or less during a calendar year.

Testimony in support of the measure was received from DLNR and Ulupalakua Hunting Club.

The provisions in this bill protect and serve consumers by establishing a central registry for hunting guides, and guaranteeing that hunting guides have a basic minimal knowledge of hunting safety and ethics. Your Committees have amended the bill by deleting the requirement that hunting guides file an annual report since this provision serves no regulatory or consumer protection purpose.

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 S.B. No. 2340, S.D. 2, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 2340, S.D. 2, H.D. 1.

Signed by all members of the Committees except Representatives Hamakawa, Hiraki and Tom.

**SCRep. 1020-96 Consumer Protection and Commerce and Judiciary on S.B. No. 2733**

The purpose of this bill is to improve the administration of insurance premium taxes by:

- (1) Requiring insurers to file annual and quarterly tax statements, and pay insurance premium taxes on a quarterly basis;
- (2) Imposing a fine of not less than \$100, and not more than \$500, for each day that insurers are delinquent in filing annual or quarterly tax statements, or in paying the required taxes;
- (3) Requiring surplus lines brokers to file quarterly and annual statements, and pay taxes on a quarterly basis; and
- (4) Imposing a fine of not less than \$100, and not more than \$500, for each day that surplus lines brokers are delinquent in filing annual or quarterly tax statements, or in paying the required taxes.

Testimony in support of the measure was received from State Farm Insurance Companies. The Insurance Division of the Department of Commerce and Consumer Affairs (Division) and Hawaii Independent Insurance Agents Association testified in qualified support of the bill.

Eliminating the monthly premium tax payment requirement will result in substantial time savings for the Examination Branch of the Division (Branch) which suffers from a personnel shortage. Additionally, requiring insurers to file their tax

statements and pay their taxes on a quarterly basis eliminates the Branch's need to review each insurer's prior year premium tax liabilities to ensure compliance with current monthly, quarterly, and annual payment deadlines.

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

- (1) Replacing its contents with the language of H.B. No. 3402 H.D. 2; and
- (2) Deleting the requirements that surplus line brokers file statements and pay taxes on a quarterly basis. Your Committees find that the quarterly requirements are unduly burdensome for surplus lines brokers, and the Insurance Division does not object to retaining the existing annual requirements related to these lines of insurance.

With respect to the annuities taxation issue raised by the bill, as amended, your Committees defer to the Committee on Finance which has jurisdiction over this matter.

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 S.B. No. 2733, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2733, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chun Oakland, Hamakawa, Hiraki, McMurdo and Tom.  
(Representative Kawanakoa voted no.)

**SCRep. 1021-96 Consumer Protection and Commerce and Judiciary on S.B. No. 2723**

The purpose of this bill is to allow the formation of limited liability companies in Hawaii.

Testimony in support of the measure was received from the Department of Commerce and Consumer Affairs, the Hawaii Association of Realtors, the Hawaii Society of Certified Public Accountants and the Accountants Coalition, the National Federation of Independent Business-Hawaii, the Hawaii Commission to Promote Uniform Legislation, and the Chamber of Commerce of Hawaii.

A limited liability company is a unique entity that brings together in a single business organization the best features of other business forms. Properly structured, a limited liability company provides its owners with a limitation on personal liability similar to what is available in a corporation. At the same time, the limited liability company would be treated as a partnership for tax purposes.

Your Committees believe that allowing the formation of limited liability companies in Hawaii would provide an attractive incentive for new businesses to be established in the State, thereby promoting economic development in Hawaii. Conversely, because Hawaii is one of the few states that does not currently permit the formation of limited liability companies, denying that flexibility to businesses would only encourage people to start new businesses in places other than Hawaii.

After carefully considering the merits of the measure and the testimonies received, your Committees have amended the bill by including language from H.B. No. 3819, H.D. 2, a similar bill which passed Third Reading in the House.

Some of the substantive amendments made by your Committees are:

- (1) Requiring the operating agreement the members of a limited liability company are allowed to enter, be in writing; and
- (2) Specifying that to organize a limited liability company, the limited liability company must consist of two or more members.

Technical, nonsubstantive amendments were also made 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 S.B. No. 2723, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2723, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Chun Oakland, Hamakawa, Hiraki, McMurdo, Tom and Meyer.

**SCRep. 1022-96 Public Safety and Military Affairs on S.B. No. 2887**

The purpose of this bill is to expand the term of appointment for members of the Correctional Industries Advisory Committee from the current four year maximum to a full eight-year commitment.

Testimony presented by the Department of Public Safety's Correctional Industries emphasized that its successful operation and ability to achieve its multiple objectives, which include vocational training of inmates and profitability, depend upon representation from all segments of the community serving on its advisory committee. In further recognition of the unique quality of Correctional Industries in that it functions as a business operation within a governmental entity, the bill also provides for minimal disruption of the advisory committee's presently constituted membership without significantly increasing costs.

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 S.B. No. 2887 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 White.

**SCRep. 1023-96      Judiciary and Consumer Protection and Commerce on S.B. No. 2189**

The purpose of this bill, as received, was to:

- (1) Separate arson from the broader offense of criminal property damage;
- (2) Establish four classes of arson; and
- (3) Amend the law relating to fire protection to add references to the police chief and prosecuting attorney with respect to the investigation of fires.

Your Committees received testimony in support of this bill from representatives of the Honolulu Police Department and State Farm Insurance Companies. The City and County of Honolulu Prosecuting Attorney supported the bill with amendments. A representative of the Office of the Public Defender commented on this bill.

Your Committees find the original House draft in H.B. No. 2609, H.D. 1, preferable and therefore amends this bill to conform with the House version.

The ordering of the sections in the House version is consistent with customary drafting conventions. Also, the Senate draft contains a list of information that is optional for insurers to provide to law enforcement personnel. This is not in the House version because if it is optional, it need not be legislated.

The House draft has two degrees of arson rather than four, and the state of mind for committing arson in the House draft is "intentionally, knowingly or recklessly" rather than "intentionally or knowingly." Arson is such a serious crime and can involve such widespread destruction that your Committees feel that the reckless state of mind, which involves a "gross deviation from the standard of conduct that a law abiding person would observe in the same situation," is appropriate.

The House draft also elevates arson involving an occupied structure. Your Committees believe that homes and other places of sojourn should have higher protection under the law.

There are other technical differences between the two drafts.

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 S.B. No. 2189, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2189, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives White, Hamakawa, Hiraki, Menor, Saiki and Meyer.

**SCRep. 1024-96      Judiciary on S.B. No. 2558**

The purpose of this bill is to make the Department of Human Services, the Department of Health, and the Chief Justice of the Supreme Court responsible for the protection and treatment of victims of domestic and sexual abuse.

The Department of Human Services, the Department of Health, the Sex Abuse Treatment Center, the Domestic Violence Legal Hotline, and Child & Family Services supported the intent of the bill.

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 S.B. No. 2558, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chun Oakland, McMurdo, Menor and Swain.

**SCRep. 1025-96      Public Safety and Military Affairs and Judiciary on S.B. No. 2885**

The purpose of this bill is to amend section 706-669 of the Hawaii Revised Statutes by clarifying that victims are permitted to be active participants in hearings before the Hawaii Paroling Authority.

Testimony supporting this measure was submitted by the Hawaii Paroling Authority, the Office of the Prosecuting Attorney of the City and County of Honolulu, and by an individual whose written testimony told of the devastating impact of the crime upon her family and herself.

Your Committees agree that victims should be allowed to be heard, as well as merely to be present at those hearings when the criminal involved receives a minimum term hearing. It is also agreed that victims are entitled to have a voice when the crimes involve property, as well as when the crimes are against persons.

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 S.B. No. 2885, S.D. 1 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives White, Hamakawa and Menor.

**SCRep. 1026-96 Health on S.B. No. 2441**

The purpose of this bill is to require the Department of Health (DOH) to facilitate the establishment of community-based primary health care centers in medically underserved areas.

Testimony in support of this measure was received from the Hawaii Nurses' Association and the Hawaii State Primary Care Association. DOH supported the bill and suggested an amendment to develop the infrastructure for telemedicine so that medical services in rural areas may be enhanced.

Papa Ola Lokahi submitted testimony supporting the concept of the bill, and recommended amending the bill to include the establishment of Native Hawaiian Health Care Systems. Also favoring the inclusion of Native Hawaiian Health Care systems, Ke Ola Mamo testified in opposition to the bill.

Your Committee recognizes the important role that community-based primary health care centers can perform in improving access to health care for those living in medically underserved areas. As such, it is appropriate for DOH to work with relevant public and private agencies to facilitate the development of these kinds of centers in medically underserved areas.

The role of the Native Hawaiian Health Care Systems (NHHCS) in improving the health of Hawaii's people, specifically Hawaiians, is also recognized. The prevention and outreach elements of NHHCS should be considered in any determination of primary care that is available in the state, and NHHCS programs that provide or will develop comprehensive primary care programs should be considered as providers in areas in which they function.

The amendment proposed by DOH is appropriate since it conforms to the overall purpose of the bill, to improve the delivery of medical services to medically underserved areas.

Your Committee has amended this bill by:

- (1) Deleting the list of areas DOH is to examine for health care access and needs, and replacing it with the general directive to consider all areas of the State;
- (2) Requiring DOH to organize and administer a public/private partnership to plan and develop the infrastructure necessary to enhance medical care services through telemedicine; and
- (3) Making technical, nonsubstantive revisions for purposes of clarity and consistency.

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 S.B. No. 2441, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2441, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1027-96 Health on S.B. No. 2532**

The purpose of this bill is to define the term "nurse" and to limit its use.

The Board of Nursing, the Hawaii Nurses' Association, and two individuals submitted testimony in support of this measure.

Your Committee has amended this bill by allowing only registered nurses, licensed practical nurses, and advanced practice registered nurses to assume the title "nurse" or to imply that they are nurses.

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 S.B. No. 2532, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2532, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

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

**SCRep. 1028-96 Ocean Recreation and Marine Resources on S.B. No. 2941**

The purpose of this bill is to establish a commercial fisheries special fund within the Department of Land and Natural Resources to provide the funding necessary for programs and activities relating to the management, conservation, and monitoring of aquatic life.

Testimony in support of this measure was offered by the Director of the Department of Land and Natural Resources and other concerned citizens.

Your Committee believes that commercial fishing programs should benefit directly from the various fees and penalties associated with commercial fishing activities.

Your Committee has amended this measure by clarifying that the reference to rearing within the text of this measure is intended to refer to the rearing of bait within our state.

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 S.B. No. 2941, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2941, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1029-96 Human Services on S.B. No. 2261**

The purpose of this bill is to restructure the treatment and rehabilitation of youth at risk and adjudicated youth by expanding the responsibilities of the Office of Youth Services (OYS).

An individual testified in support of the bill.

The Department of Education, OYS, the Juvenile Justice State Advisory Council, and the Office of the Public Defender testified in support of the intent of the bill.

Several employees of the Family Court, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Hawaii Government Employees Association, and several individuals testified in opposition to the bill.

The Department of the Prosecuting Attorney of the City and County of Honolulu raised constitutional concerns because the bill precludes the Family Court from properly exercising its discretion.

The Hawaii Government Employees Association recommended all interested parties to carefully consider the consequences of the bill prior to implementation.

Similarly, the Judiciary recommended deferring the bill until certain concerns are adequately addressed, including those of establishing a comprehensive system of services for youth at risk, providing adequate judicial oversight and supervision, and providing safeguards against inadvertently imposing harsher penalties for adjudicated youth at risk.

Your Committee agrees that more study is necessary before beginning the substantial restructuring efforts proposed by this bill. As such, your Committee has amended the bill by deleting its substance and inserting the provisions of H.B. No. 2599, which received hearings in the House and was approved by the House. This bill requires OYS to coordinate services for youth at risk provided through purchases of services by the Department of Health, the Judiciary, and OYS.

In addition, your Committee inserted provisions establishing a Juvenile Justice Management Commission (Commission), as contained in S.B. No. 2261, S.D. 2, with some revisions. The Commission would study issues related to the activities of OYS and the Family Court regarding the treatment and rehabilitation of youth committed to the custody or supervision of OYS. The Commission would sunset on June 30, 1998.

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 S.B. No. 2261, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2261, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1030-96 Human Services and Water and Land Use Planning on S.B. No. 2003**

The purpose of this bill is to establish a state preemption law for family child care.

The Office of Children and Youth, Office of the Governor, the Maui County Council, and People Attentive To Children submitted testimony in support of this measure. The Hawaii Association of Realtors, the Real Estate Commission, the Community Associations Institute, and the Kamehameha Schools Bernice Pauahi Bishop Estate submitted testimony on this measure. Small Business Hawaii and nine concerned citizens submitted testimony in opposition to this measure.

Your Committees find that child care homes in the community provide children with an environment that is conducive and healthy to their development. Your Committees further find that the care of our children and the provision of safe, healthy and loving child care is a matter of statewide concern which should be addressed immediately. Thus, the need for child care is critical, especially for infants who are often excluded from facilities such as day-care centers and pre-schools because they are too young. As a result, child care in residential settings are often the sole alternative for working parents. These homes have long provided a safe and loving environment which an infant needs, and which working parents seek.

Your Committees recognize the concerns which were raised by the various condominium and cooperative apartment owners. Thus, your Committees have amended this measure by:

- (1) Deleting Section 3, relating to limited equity cooperatives;
- (2) Deleting Section 4, relating to cooperatives;

- (3) Deleting Section 7, relating to condominium property regime;
- (4) Modifying Section 8, to make the Attorney General the lead agency which will work in conjunction with the Department of Human Services, the Commission on Persons with Disabilities, a representative from People Attentive To Children, the Good Beginnings Alliance, the Insurance Commission, the Real Estate Commission, Condominium Property Regime Blue Ribbon Panel, parents and family care providers;
- (5) Modifying Section 8, line 21, to address potential constitutional concerns, by-law amendment procedures, and determine whether or not the maximum number of six children in a child care home meets safety and other concerns relating to the welfare of the children.
- (6) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Human Services and Water and Land Use Planning that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2003, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2003, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

**SCReo. 1031-96 Labor and Public Employment on S.B. No. 2485**

The purpose of this bill is to preserve certain employee rights, privileges, and benefits for furloughed state and county employees.

Testimony in support of this bill was received from the County of Kauai, the United Public Workers, AFSCME, Local 646 AFL-CIO, and the Office of Collective Bargaining. The Employees' Retirement System, the Hawaii State Teachers Association, the University of Hawaii Professional Assembly, and the Hawaii Government Employees Association testified in support of the intent of this measure. The Department of Accounting and General Services provided comments. The Department of Budget and Finance presented testimony in opposition to the bill.

Your Committee finds that government must be sensitive to public employees' needs when they will be suffering reductions in salary caused by furloughs. These employees are responsible for providing valuable and necessary services to the public. Protecting and preserving these employees' rights, benefits, and privileges when they are furloughed will serve to minimize the impact of downsizing due to the present fiscal crisis.

Your Committee has amended this bill by deleting the definition of "qualified employee" to avoid confusion since this term is not used in 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 S.B. No. 2485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2485, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1032-96 Labor and Public Employment on S.B. No. 2811**

The purpose of this bill is to authorize the establishment of a new mandatory deferred compensation retirement plan for state and county part-time, temporary, and seasonal or casual employees.

The Department of Budget and Finance and the Department of Human Resources Development provided testimony in support of this bill.

Your Committee finds that the creation of the new deferred compensation retirement plan will provide financial incentives for both the employer and these employees. Eligible employees will no longer be required to contribute to Social Security, and the State, as their employer, will not be required to match their contributions. The State will realize significant savings of approximately \$3,000,000, as well as equal savings for employees. Additionally, employees will be able to withdraw their money from the plan after terminating their employment with the State.

Technical, nonsubstantive amendments were made to the bill 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 S.B. No. 2811, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2811, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Case.

**SCRep. 1033-96 Labor and Public Employment on S.B. No. 3079**

The purpose of this bill is to authorize the Department of Business, Economic Development, and Tourism (DBEDT) to re-establish the Employee Ownership and Participation Program to support and encourage expanded opportunities for employee ownership and participation in Hawaii businesses.

DBEDT testified in support of this measure.

Your Committee would like to encourage participating state agencies to explore alternative methods to distribute copies of the annual reports required by this measure. It may be more cost-effective to make annual reports available through alternative means, such as making electronic copies of annual reports available through state information databases.

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

- (1) Allowing, instead of requiring, each state agency involved in economic development and regulatory activities to annually report to the Legislature on steps taken to encourage employee ownership and participation; and
- (2) Deleting the provision allowing DBEDT to employ individuals without regard to chapters 76 and 77, Hawaii Revised Statutes.

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 S.B. No. 3079, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3079, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

**SCRep. 1034-96 Labor and Public Employment on S.B. No. 3110**

The purpose of this bill is to encourage greater employer participation in school-to-work activities by providing employers relief from unemployment insurance payroll taxes assessed for students participating in paid work-based learning situations.

Specifically, this bill adds student interns to the list of those excluded from the unemployment insurance payroll tax under chapter 383, Hawaii Revised Statutes.

The Department of Education, the Department of Labor and Industrial Relations, the Hawaii School-to-Work Opportunities System, the Hawaiian Electric Company, and the Leeward District School to Work Business Advisory Group submitted testimony supporting this measure.

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 S.B. No. 3110, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3110, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

**SCRep. 1035-96 Labor and Public Employment on S.B. No. 3154**

The purpose of this bill is to encourage greater employer participation in school-to-work activities by providing workers' compensation coverage for students in work-based learning situations who are not paid wages directly by private employers.

The Department of Education, the Department of Labor and Industrial Relations, the University of Hawaii, the Hawaii School-to-Work Opportunities Executive Council, the West Oahu Employment Corporation, Consumer Lawyers of Hawaii, and concerned individuals submitted testimony supporting this measure.

Your Committee has amended this bill by:

- (1) Deleting the requirement that student interns and unremunerated student interns be full-time students;
- (2) Expanding the definition of "unremunerated student interns" to include those in unpaid student internship programs of the University of Hawaii;
- (3) Deleting the requirement that the Director of Labor and Industrial Relations submit biennial reports on cost impacts to the State for providing workers' compensation coverage for unremunerated student interns who are serving as volunteers; and
- (4) Making other technical, nonsubstantive amendments for purposes of clarity and consistency.

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 S.B. No. 3154, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3154, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

**SCRep. 1036-96 Public Safety and Military Affairs on H.R. No. 72**

This measure recognizes the demonstrated value of treatment services for inmates while they are incarcerated, by requesting an evaluation of the possibility of expansion of the KASHBOX substance abuse program and therapeutic community concept to Kulani Correctional Facility.

Testimony supporting the adoption of this resolution was presented by the Department of Public Safety. The Department stressed that the KASHBOX program, in its rehabilitative and preventive services, has been successful in impacting the rearrest and recidivism of substance abusers.

Your Committee has amended this measure by making technical, non-substantive amendments for purposes of clarity, style, and consistency.

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 concurs with the intent and purpose of H.R. No. 72, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 72, H.D. 1.

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

**SCRep. 1037-96      Public Safety and Military Affairs on H.C.R. No. 64**

This measure recognizes the demonstrated value of treatment services for inmates while they are incarcerated, by requesting an evaluation of the possibility of expanding the KASHBOX substance abuse program and therapeutic community concept to Kulani Correctional Facility.

Testimony supporting the adoption of this concurrent resolution was presented by the Department of Public Safety. The Department stressed that the KASHBOX program, in its rehabilitative and preventive services, has been successful in impacting the rearrest and recidivism of substance abusers.

Your Committee has amended this measure by making technical, non-substantive amendments for purposes of clarity, style, and consistency.

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 concurs with the intent and purpose of H.C.R. No. 64, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 64, H.D. 1.

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

**SCRep. 1038-96      Public Safety and Military Affairs on H.C.R. No. 65**

The purpose of this concurrent resolution is to request that the Legislative Auditor investigate allegations and complaints dealing with the system of medical care provided within our correctional facilities, the conditions under which inmates, staff, and professionals must interact, and accreditation standards defining adequacy of medical care.

The Department of Public Safety supports HCR 65. Testimony was also provided by the Hawaii Medical Association which, in addition to supporting the measure has offered its assistance to the Auditor in the proposed study.

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 concurs with the intent and purpose of H.C.R. No. 65 and recommends that it be referred to the Committee on Legislative Management.

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

**SCRep. 1039-96      Labor and Public Employment on H.R. No. 59**

The purpose of this resolution is to obtain a progress report on the development of a state workforce development plan from the Department of Labor and Industrial Relations (DLIR).

Testimony in support of this measure was provided by the Department of Education and the Department of Labor and Industrial Relations.

Upcoming federal legislation is anticipated to consolidate federal programs by creating block grants to establish workforce development systems. With federal block grants, the State will have an unprecedented opportunity to design a statewide workforce development system that includes a comprehensive school-to-work transition program and development of industry and occupational skill standards. The Governor has requested DLIR to take the lead in developing a plan.

Your Committee finds that the State would benefit from the federal block grants, especially during times of fiscal constraint, and needs to develop a plan that provides the mechanism to implement the block grants and decide on state priorities. This measure provides accountability for DLIR to report on the progress of its development of a statewide workforce development system plan.

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 concurs with the intent and purpose of H.R. No. 59 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

**SCRep. 1040-96 Labor and Public Employment on H.C.R. No. 50**

The purpose of this concurrent resolution is to obtain a progress report on the development of a state workforce development plan from the Department of Labor and Industrial Relations (DLIR).

Testimony in support of this measure was provided by the Department of Education and the Department of Labor and Industrial Relations.

Upcoming federal legislation is anticipated to consolidate federal programs by creating block grants to establish workforce development systems. With federal block grants, the State will have an unprecedented opportunity to design a statewide workforce development system that includes a comprehensive school-to-work transition program and development of industry and occupational skill standards. The Governor has requested DLIR to take the lead in developing a plan.

Your Committee finds that the State would benefit from the federal block grants, especially during times of fiscal constraint, and needs to develop a plan that provides the mechanism to implement the block grants and decide on state priorities. This measure provides accountability for DLIR to report on the progress of its development of a statewide workforce development system plan.

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 concurs with the intent and purpose of H.C.R. No. 50, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

**SCRep. 1041-96 Legislative Management on S.B. No. 641**

The purpose of this bill is to provide a grant-in-aid to allow community cable television stations to videotape legislative proceedings for recablecast at convenient viewing times for residents of Maui, Kauai, and Hawaii counties.

The American Association of Retired Persons and two individuals submitted testimony in support of this bill. Testimony in support of the intent of this measure was received from the League of Women Voters of Hawaii.

Your Committee recognizes that the geography of our Island State limits access to legislative proceedings for many Neighbor Island residents. Cablecasting of legislative hearings and other procedures increases the opportunity for all residents to observe and become involved in the legislative process.

Your Committee has amended this bill by:

- (1) Appropriating \$1 for each community television station to further 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 Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 641, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 641, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Okamura and Souki.  
(Representative Thielen voted no.)

**SCRep. 1042-96 Legislative Management on S.B. No. 2270**

The purpose of this bill is to:

- (1) Establish a schedule for the repeal of certain special and revolving funds; and
- (2) Require the Legislative Auditor to evaluate the funds to be repealed.

The Department of Labor and Industrial Relations; the Department of Business, Economic Development, and Tourism; the Department of Land and Natural Resources; the Department of Accounting and General Services; the Aloha Tower Development Corporation; the Housing Finance and Development Corporation; the Natural Energy Laboratory of Hawaii Authority; the High Technology Development Corporation; and the Nature Conservancy of Hawaii supported the intent of this bill, but opposed the repeal of certain funds.

The Department of Budget and Finance supported the intent of the bill, but had concerns with the proposed timing of the Legislative Auditor's reports.

The Tax Foundation of Hawaii submitted comments.

Recognizing that it may be premature to repeal the enumerated special and revolving funds at this time, your Committee has amended this bill to require the Legislative Auditor to evaluate the funds at least once every five years. The evaluation reports would be submitted to the Legislature as based on this timetable:

- (1) The evaluation reports on the Agricultural Loan Reserve Fund, the Foreign Trade Zones Special Fund, and the Aloha Tower Fund would be due by December 15, 1996;

- (2) The evaluation reports on the Natural Energy Laboratory of Hawaii Authority Special Fund, the High Technology Special Fund, and the Employment and Training Fund would be due by December 15, 1997;
- (3) The evaluation reports on the State Educational Facilities Improvement Special Fund, the Teachers' Housing Revolving Fund, and the Housing Finance Revolving Fund would be due by December 15, 1998; and
- (4) The evaluation reports on the Aina Hoomalu Special Fund, the Hawaii Historic Preservation Special Fund, the Special Land and Development Fund, and the Natural Area Reserve Fund would be due by December 15, 1999.

Technical, nonsubstantive amendments were also made 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 S.B. No. 2270, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2270, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Okamura and Souki.

**SCRep. 1043-96      Legislative Management on S.B. No. 2330**

The purpose of this bill is to:

- (1) Protect the confidentiality of the State Auditor's working papers; and
- (2) Facilitate the Auditor's mandated operations.

Testimony in support of this measure was submitted by the State Auditor and the Attorney General. The Society of Professional Journalists opposed this bill.

Your Committee finds that the confidentiality of the Auditor's working papers should be maintained to protect the privacy and confidentiality rights of persons and agencies audited.

Your Committee has amended the bill by clarifying that the Auditor is not obligated to disclose working papers containing information that the Auditor holds confidential under the state's sunshine laws.

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 S.B. No. 2330, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2330, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Okamura and Souki.

**SCRep. 1044-96      Legislative Management on S.B. No. 2487**

The purpose of this bill is to clarify that the Ombudsman:

- (1) Does not have to provide notice to a person when the Ombudsman believes that there is a breach of duty or misconduct by the person and the Ombudsman refers the matter to the appropriate authorities; and
- (2) May retain attorneys independent of the Attorney General.

The Ombudsman submitted testimony in support of the bill.

Your Committee finds that the ambiguity in the law regarding notice to possible miscreants before referral to the proper authorities should be clarified so that the referral can be made without notice. The Ombudsman should also be allowed to hire counsel in those matters wherein the Attorney General would be in conflict by representing the agency affected.

Your Committee has amended the bill by allowing, rather than requiring, the Ombudsman to refer the matter to the appropriate authorities when the Ombudsman believes that there is a breach of duty or misconduct by a person.

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 S.B. No. 2487, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2487, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Okamura and Souki.

**SCRep. 1045-96      Legislative Management on S.B. No. 3268**

The purpose of this bill is to provide continued support and funding for the Public Access Program by:

- (1) Transferring the functional duties of the Public Access Room to the Legislative Reference Bureau (LRB);
- (2) Appropriating funds to LRB for:

- (A) Year-round funding for staff, equipment, and operations of the Public Access Room;
  - (B) The production and distribution of television broadcasts of legislative proceedings during 1996-1997; and
  - (C) The legislative Internet project; and
- (3) Establishing a Joint Legislative Access Committee.

Supportive testimony was received from Common Cause Hawaii, the League of Women Voters of Hawaii, the American Association of Retired Persons, the Hemophilia Foundation of Hawaii, Olelo: The Corporation for Community Television, and several concerned individuals.

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

- (1) Inserting the sums of \$1 for purposes 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 Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3268, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3268, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Okamura and Souki.

**SCRep. 1046-96 Economic Development and Business Concerns on S.B. No. 662**

The purpose of this bill is to assist the counties in encouraging economic development by authorizing the designation of one "renaissance zone" in each of the counties by the Department of Business, Economic Development, and Tourism (DBEDT).

Under this bill:

- (1) Individuals and businesses of renaissance zones would be exempt from income taxes, public service taxes, and bank and financial corporation taxes for up to 15 years;
- (2) Businesses would still be required to pay their general excise taxes; and
- (3) Persons and property within the renaissance zones of the respective counties would be exempt from the real property taxes levied by that county.

The DBEDT, the Department of Taxation, and the Tax Foundation of Hawaii submitted comments on this measure.

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

- (1) Redefining "renaissance zone" to mean a geographic area designated by the Governor, rather than by DBEDT;
- (2) Deleting "government entity" from the definition of "person";
- (3) Having individuals, rather than the counties, apply to the Renaissance Zone Review Board (Review Board) for the designation of a distinct geographic area within the state as a renaissance zone, which shall not be greater than ten acres in size;
- (4) Changing the size specifications and the application procedure criteria of renaissance zones;
- (5) Replacing the Governor or the Governor's designee on the Review Board, with the Director of Taxation or the Director's designee;
- (6) Deleting references to the:
  - (a) Requirement of the Review Board to review all applications submitted to them;
  - (b) Requirement that the Governor submit renaissance zone selections to the Legislature prior to the 1997 Regular Session;
  - (c) Compensation of the Review Board members;
  - (d) Uses of the renaissance zones;
  - (e) Exemption from public service taxes, bank and financial corporation taxes, and real property taxes for persons and businesses of renaissance zones; and
  - (f) Conditions under which a resident or a business of a renaissance zone is ineligible for the exemption of taxes;

- (7) Providing that the designation of a renaissance zone is to take effect upon designation by the Governor, rather than upon approval by the Legislature;
- (8) Specifying that the Governor shall not designate more than eight renaissance zones within the State;
- (9) Specifying that a person of a renaissance zone be exempt from up to one hundred percent of income taxes and general excise taxes; and
- (10) Making technical, nonsubstantive amendments for purposes of clarity 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 S.B. No. 662, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 662, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1047-96 Economic Development and Business Concerns on S.B. No. 667**

The purpose of this bill is to appropriate moneys to increase the marketing and promotional activities of the Department of Business, Economic Development, and Tourism's Ocean Resources Branch, with special emphasis on initiatives to expand Hawaii's market presence in the Asia-Pacific region.

The Department of Business, Economic Development, and Tourism (DBEDT) submitted testimony in support of this bill, provided that the bill's passage does not replace or adversely impact priorities in DBEDT's Executive Biennium or Supplemental Budget. Makai Ocean Engineering and the President of PACON International also submitted testimony in support of this measure.

Your Committee has amended this bill by:

- (1) Inserting the sum of \$1 to facilitate continued discussion on the financial aspects of the bill; 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 Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 667, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 667, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1048-96 Consumer Protection and Commerce on S.B. No. 2730**

The purpose of this bill is to improve the ability of the Business Registration Division (Division) of the Department of Commerce and Consumer Affairs (DCCA) to provide more efficient services to the business community through a number of expanded activities including:

- (1) Modernization of software for the database of businesses registered with the Division;
- (2) Overhaul of the computer system;
- (3) Replacement of the antiquated telephone system;
- (4) Strengthening of staff positions for the securities compliance and enforcement functions; and
- (5) Enhancement of services to Neighbor Island business communities.

These improvements would be implemented by, among other things, increasing the fees for the Division's services and amending the requirements for registration exemption and related fees for certain securities issued by investment companies.

Testimony in support of the measure was received from: the DCCA; the Hawaii Society of Certified Public Accountants and The Accountants Coalition; the Hawaii State Bar Association, Corporations and Securities Section, in which they expressed no opinion pertaining to section 10; and the Hawaii Association of Realtors. Testimony in opposition to the measure was received from: Fidelity Investments; the Securities Industry Association; and the Investment Company Institute.

Your Committee is in general agreement with the bill's intent to enhance DCCA's financial base. However, your Committee finds that the amounts of the fee increases warrant further consideration and discussion.

Furthermore, any security issued by an investment company, as defined by and registered under the Investment Company Act of 1940, is currently exempt from registration with the Commissioner of Securities. This bill would establish additional requirements for securities such as mutual funds to qualify for the exemption. The exemption would require the filing of a notice of intention to sell and payment of a filing fee. However, your Committee finds that the

additional requirements contained in this bill for securities to qualify for the exemption may be unnecessary. Additionally, the fees for exemption merit further consideration and discussion.

After considering the merits of the measure and the testimonies received, your Committee has amended the bill by:

- (1) Replacing all fee increases with \$1 for the purpose of continued discussion;
- (2) Deleting from the registration exemption the requirement that the issuer be advised by an investment adviser under the "Investment Advisers Act of 1940", or has a sponsor under certain criteria;
- (3) Maintaining the requirement to file a notice of intention to sell, with a fee, and a renewal requirement, with a fee. However, the fees have been amended to be \$1; and
- (4) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Therefore, upon careful consideration for the most succinct and efficient vehicle by which to implement these amendments, your Committee has amended this bill by replacing its contents with the language of H.B. No. 3399, HD2.

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 S.B. No. 2730, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2730, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Hamakawa, Tom and White.

**SCRep. 1049-96      Judiciary on S.B. No. 2264**

The purpose of this bill is to create court filing fee surcharges in certain civil cases to provide funding for legal services to the indigent.

The Hawaii Civil Rights Commission, the Hawaii Women's Political Caucus, the Legal Aid Society of Hawaii, the Domestic Violence Clearinghouse and Legal Hotline, Hawaii Lawyers Care, Hawaii Women Lawyers, the Hawaii Justice Foundation, the Hawaii Bar Association, the Native Hawaiian Legal Corporation, Na Loio No Na Kanaka, the Protection and Advocacy Agency of Hawaii, the American Civil Liberties Union of Hawaii, and a member of the public testified in support of the bill. The Judiciary, the Attorney General, the Office of the Public Defender and the Department of Budget and Finance commented on the measure. Testimony in opposition to the measure was submitted by Legislative Information Services of Hawaii.

Your Committee has amended the bill by:

- (1) Deleting its contents and replacing it with the contents of H.B. 2859 H.D. 2;
- (2) Changing the entity responsible for the administration of the Indigent Legal Assistance Fund from the Judiciary to the Office of Community Service; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity and to correct a technical 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 S.B. No. 2264, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2264, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Hamakawa, Herkes, Menor, Saiki and Yoshinaga.  
(Representative Kawanakoa voted no.)

**SCRep. 1050-96      Judiciary on S.B. No. 2322**

The purpose of this bill is to allow the issuance of permits to spouses jointly. It also allows for the charging of fees for first time applicants to cover the charges of the Federal Bureau of Investigation (FBI) for fingerprint checks.

Your Committee received testimony in support of this bill from representatives of the Honolulu Police Department and the Hawaii Rifle Association.

Your Committee finds that it is appropriate that fees be charged to applicants for firearms permits on a one-time basis to cover the costs of the FBI fingerprint checks. However, these fees should be reasonable and should be set at no more than \$35. The legislature will revisit this issue should the FBI further increase their charges. Your Committee has amended this bill to include the maximum fee.

The purpose clause in this bill as received did not include any language regarding the joint issuance of permits to spouses. Your Committee has amended section 1 of this measure to reflect the dual purposes of this bill.

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 S.B. No. 2322, S.D. 2, as amended herein, and recommends that

it pass Second Reading in the form attached hereto as S.B. No. 2322, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, McMurdo, Menor and Swain.

**SCRep. 1051-96      Judiciary on S.B. No. 2821**

The purpose of this bill as received by your Committee is to amend the unclaimed property law by including the definition of escheat, making provisions for notification of persons appearing to be owners, processing abandoned property, and lengthening the period within which the Director of Finance has to act upon a claim.

Your Committee heard favorable testimony from the Department of Budget and Finance.

It is the finding of your Committee that the holding period for each property value category as set in the bill are too lengthy and the additional time periods serve no useful purpose. In addition the notice to the public should continue to be published in a newspaper with statewide circulation as it is not necessarily true that an owner will continue to live in the same county from year to year.

As many members of the general population are not yet familiar with computers, it is felt that the names of apparent owners of property valued at \$100 or greater should continue to be published in a newspaper of general circulation rather than be listed only in databanks or depositories.

Your Committee has amended this bill by:

- (1) Decreasing by four years in each valuation category the time the state must hold the abandoned property;
- (2) Requiring all notices to be made in a newspaper of general circulation in the State; and
- (3) Increasing the valuation of property to be published in the notice of abandoned property from \$50 to \$100;

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 S.B. No. 2821, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2821, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Hamakawa, Menor and Saiki.

**SCRep. 1052-96      Judiciary on S.B. No. 2981**

The purpose of this bill is to enable the Judiciary History Center to become a more self-supporting program by establishing a private trust know as the Judiciary History Center Trust Fund (Trust Fund).

Testimony in support of this measure was submitted by the Judiciary, the Commission on Persons with Disabilities, the Friends of the Judiciary History Center, the Executive Board of the Judiciary History Center, and the Hawaii State Bar Association. The Hawaii Association of the Blind and a member of the public testified in opposition to the measure.

Your Committee finds that the intent of the Judiciary History Center (Center) is to include vendors to establish a museum store to further the goals of the Center by providing visitors with quality merchandise that is related to the Center's exhibits and collections. The store would be designed in keeping with the ambience and decorum of historic Ali'iolani Hale, and the proceeds derived from the sales would go into the Trust Fund to support the educational and operational purposes of the Center's programs.

Your Committee further finds that to facilitate the Center's goals, the Center should make use of volunteers to staff the facilities whenever possible and avoid selling food or beverages or other products typically sold by blind vendor facilities. Your Committee further finds that if food or beverages are to be sold on the premises, that proceeds due the Center from the food and beverage sales be allocated for the benefit of the blind by depositing those proceeds into state funds intended for the benefit of the visually impaired such as the Randolph-Shepherd fund.

Your Committee has amended the bill by:

- (1) Clarifying that laws relating to the establishment of vending facilities in public buildings will not apply to the Center facility in the Ali'iolani Hale building; and
- (2) Indicating that funds or other income derived from facilities at the Center be expended for the educational and operational purposes of the Center; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2981, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2981, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Hamakawa, Menor and Saiki.

**SCRep. 1053-96      Judiciary on S.B. No. 3091**

The purpose of this bill is to propose an amendment to the Constitution which would prevent the lapsing of unencumbered general obligation bond funds which are deemed necessary by the Legislature to qualify for federal aid financing and reimbursement.

The Department of Budget and Finance testified in support of the measure. The Tax Foundation of Hawaii commented on the bill.

Your Committee has amended the bill 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3091, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3091, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, McMurdo, Menor and Swain.

**SCRep. 1054-96 Public Safety and Military Affairs and Judiciary on S.B. No. 2891**

The purpose of this bill is to implement programs needed to address the issue of prison overcrowding by providing appropriations for programs authorized by Act 25, Special Session Laws of Hawaii 1995.

Specifically, this bill appropriates funds for:

- (1) The Integrated Community Sanctions Program;
- (2) Pretrial drug treatment services;
- (3) Community reintegration programs;
- (4) The purchase of residential work-furlough services;
- (5) The expansion of parole services;
- (6) Sex offender and substance abuse services for parolees; and
- (7) An increased number of parole officers.

Testimony in support of this measure was received from the Department of Public Safety, the Corrections Population Management Commission (CPMC), the Hawaii Paroling Authority, the State Attorney General, the State of Hawaii Office of the Public Defender, the Department of the Prosecuting Attorney of the City and County of Honolulu, the American Civil Liberties Union of Hawaii, and an individual. The Judiciary submitted testimony supporting the intent of the bill as long as it does not affect the priorities reflected in the Judiciary's supplemental budget request.

Your Committees recognize the need for more prison facilities in the State, but are cognizant of the immediate need to reduce prison overcrowding in compliance with the Spear v. Cayetano consent decree.

In 1993, the Legislature established the CPMC to determine maximum inmate populations for each correctional facility and to formulate policies and procedures to prevent the inmate population from exceeding each facility's capacity. The programs authorized in Act 25, Special Session Laws of Hawaii 1995, and funded by this bill represent a strategy devised by the CPMC to address the immediate need to reduce prison overcrowding.

Your Committees support the legislatively mandated work of the CPMC and recognize the need for the programs to reduce prison overcrowding funded in this bill.

Your Committees have amended this bill by:

- (1) Limiting community reintegration programs to the Sex Offender Treatment Program and appropriating:
  - (a) \$191,000 for personnel costs, other current expenses, and equipment for the assessment center of the Sex Offender Treatment Program; and
  - (b) \$16,000 for the purchase of services for medically disabled inmates in the Sex Offender Treatment Program;
- (2) Appropriating \$74,137 for two additional parole officers to adequately meet the current caseload;
- (3) Inserting the amount of \$1 for all other appropriations to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity 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 S.B. No. 2891, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2891, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives White, Hamakawa and Menor.

**SCRep. 1055-96 Public Safety and Military Affairs and Judiciary on S.B. No. 2890**

The purpose of this bill is to give the Director of Public Safety flexibility in selecting an out-of-state correctional institution for the transfer of inmates to correctional facilities.

The Department of Public Safety and a member of the public testified in support of this measure.

Your Committees have amended the bill by making a technical, nonsubstantive amendment for the purpose of style.

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 S.B. No. 2890, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2890, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives White, Hamakawa and Menor.

**SCRep. 1056-96 Public Safety and Military Affairs and Judiciary on S.B. No. 2124**

The purpose of this bill is to require the Hawaii Paroling Authority (HPA) to provide reasonable notice to the prosecuting attorney before reducing a minimum term of imprisonment or reconsidering or rehearing a parole case.

Additionally, this bill allows the State to be represented by the prosecuting attorney at initial parole hearings and all subsequent parole hearings.

Testimony in support of this measure was received from the HPA, the State Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, and an individual. The Office of the Public Defender commented on this bill.

Your Committees have amended this bill by:

- (1) Specifying that sixty days is reasonable notice to the prosecuting attorney before HPA reduces a minimum term of imprisonment or reconsiders or rehears a parole case; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity 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 S.B. No. 2124, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2124, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives White, Hamakawa and Menor.

**SCRep. 1057-96 Tourism on S.B. No. 3166**

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development and Tourism for the Hawaii Winter Baseball League.

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

Your Committee finds that sports events in general provide tremendous tourism promotion benefits to Hawaii, especially those that generate large amounts of national and international news coverage. Furthermore, the sport of baseball enjoys enormous popularity in Japan, one of the most important of Hawaii's visitor markets, and many successful players in Japan have played in Hawaii, drawing media attention in Japan to the Hawaii league.

In addition, the Department of Business, Economic Development, and Tourism has begun action with the Hawaii Winter Baseball League to bring the 1998 Major League Baseball Winter Meeting to Hawaii, which would involve about 2,500 persons attending and generate a great deal of media coverage. Only areas with a professional baseball presence will be considered.

Your Committee finds that promotion of the Hawaii Winter Baseball League as proposed by the bill will provide a good return on monies spent and will increase Hawaii's stature as a location for sporting events, further diversifying Hawaii's economic base.

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 S.B. No. 3166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3166, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang and Lee.

**SCRep. 1058-96 Intergovernmental Relations and International Affairs on S.B. No. 2263**

The purpose of this bill is to adopt the Uniform Foreign Money-Judgments Recognition Act.

Testimony in support of this measure was submitted by a private citizen. It was cited that this bill would establish a codified process by which money judgments obtained outside the United States would be recognized and collected. In addition, it would make the recognition of judgments rendered in Hawaii more likely by other countries because it would provide the assurance of reciprocity desired by foreign courts wherein their judgments would be recognized in the United States and Hawaii's judgments would be recognized abroad.

At present, 25 states have adopted this act. Your Committee finds that this law would benefit Hawaii by making it more approachable by foreign businesses and by promoting it as a center for commerce.

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 S.B. No. 2263, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Hiraki.

**SCRep. 1059-96 Intergovernmental Relations and International Affairs on S.B. No. 3231**

The purpose of this bill is to provide that the counties shall not diminish or repeal the real property tax exemption for real property leased to the State where the lease requires the lessee to pay the property taxes.

Testimony in support of the measure was submitted by the Department of Accounting and General Services which cited a savings of \$2,000,000 in taxes for the state. It was indicated that Article VIII, Section 3 of the Constitution of the State of Hawaii states that counties have exclusive jurisdiction over all functions, powers, and duties relating to the taxation of real property. However, Section 6 of the same article states that this article shall not limit the power of the legislature to enact laws of statewide concern. It was expressed that the taxation of the state during this time of budget cutbacks would have a financial impact on the state as a whole and is therefore a matter of statewide concern.

Testimony in opposition was submitted by two Honolulu City Councilmembers, the Hawaii State Association of Counties, the Department of Finance of the City and County of Honolulu, and the Department of the Corporation Counsel of the City and County of Honolulu. The counties were concerned with the loss of the exclusive right to tax real property and with the loss of the revenues from the real property tax which is their largest source of income. It was also expressed that because the requirement to pay the real property tax applies to both the state and the federal government, any loss of revenue from the state would result in a subsequent loss of revenue from the federal government.

Your Committee believes that the power to tax real property is a home rule issue and that the counties should be able to exercise their right to tax the state. However, your Committee recognizes that the difficulties involved for the state in producing the finances to pay this tax are of statewide concern. In recognition of these two conflicting concerns, your Committee has amended this measure by reducing the two-year time period to one year. This would minimize the impact on the counties but also enable the state to budget for the payment of property taxes in the next biennium.

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 S.B. No. 3231, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3231, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1060-96 Health on S.B. No. 2662**

As received by your Committee, the purposes of this bill are to:

- (1) Suspend the implementation of the Department of Health's responsibility for provision of case management services independent of the direct service provider for the developmentally disabled until July 1, 1997;
- (2) Require the Department to submit, no later than December 1, 1996, a plan as to how it intends to implement case management services oversight;
- (3) Require the joint response of the Commission on Persons with Disabilities and the State Planning Council on Developmental Disabilities to respond to the Department's plan no later than January 1, 1997.

Testimony in support of the bill was received from the Commission on Persons with Disabilities, The ARC of Maui and The ARC in Hawaii. The State Planning Council on Developmental Disabilities submitted testimony in support with a suggested amendment. Comments were submitted by the Department of Health.

After careful consideration, your Committee has amended the bill to:

- (1) Assure that when residents of Waimano Training School and Hospital move to community-based services there is adequate funding for the services they need.

- (2) Extend the effective date from June 30, 1996 to no later than June 30, 1997 for the provision of independent case management services.

Your Committee feels that these amendments serve to better reflect the intent of the Committee in ensuring that the residents of Waimano Training School and Hospital will receive adequate services after the facility closes and in ensuring that case managers are free to independently represent the best interests of their clients as soon as possible.

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 S.B. No. 2662, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2662, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 1061-96 Health on S.B. No. 3165**

The purpose of the bill is to grant immunity from liability for civil damages to hospitals and health care organizations for the release of health care data to public or private organizations collecting the data.

Testimony in support of the bill was received from The Hawaii Medical Association, the Hawaii Health Information Corporation, the Healthcare Association of Hawaii, Kaiser Permanente and Consumer Lawyers of Hawaii.

The Hawaii Information Corporation collects and analyzes data submitted by acute care hospitals in an effort to improve the quality and cost efficiency of health care in Hawaii. The immunity granted in this bill will encourage the providers to continue to cooperate in submitting data.

This bill states that the aggregate data is not to be discoverable, however the underlying records are still discoverable.

Your Committee has amended this bill by replacing its entire content with the language in House Bill No. 3879, HD 2. Although the Senate and House versions are similar, your Committee feels that the language in House Bill No. 3879, HD 2, is clearer.

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 S.B. No. 3165, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3165, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1062-96 Judiciary on S.B. No. 2913**

The purpose of this bill as received by your Committee is to require tax compliance by persons contracting with the State as a prerequisite and continuing requirement during the term of the contract.

Testimony in support was received by your Committee from the Department of Taxation and the Internal Revenue Service. Concerns and reservations were expressed by the Finance Department of the City and County of Honolulu and the Tax Foundation of Hawaii.

Your Committee finds the requirement for continuous compliance throughout the term of the contract to be onerous in that innocent parties such as subcontractors and employees may suffer most upon the assignment of the contract to another contractor. In addition a provision exempting emergency purchase of goods and services from the preclearance requirement is necessary to enable efficient delivery of government services.

Your Committee finds that fairness dictates that the tax compliance rules should not apply to the situation where a contractor has entered into an arrangement to pay delinquencies by installment or is contesting the taxing authority's decision.

Your Committee expects and encourages the tax departments to expeditiously handle clearance requests so as not to jeopardize ability of a contractor to operate in an expeditious manner.

Your Committee has amended this bill by:

- (1) Deleting the subsection requiring compliance with the tax payments during the term of the contract;
- (2) Amending the exemption provisions to add emergency purchases and small purchases pursuant to section 103D-307;
- (3) Adding provisions to exempt contractors with installment payment agreements or who are appealing tax authority decisions; and
- (4) Clarifying provisions with technical nonsubstantive changes.

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 S.B. No. 2913, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2913, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, McMurdo, Menor, Saiki and Swain.

**SCRep. 1063-96 Energy and Environmental Protection on S.B. No. 1643**

The purpose of this bill is to establish state authority to permit the incidental taking of threatened and endangered species, establish a habitat conservation planning process mitigating the impact of such taking, and further clarify the enforcement of the section.

Your Committee finds that the bill, as proposed, was determined by the Legislature during the 1995 session to be too narrowly focused. The Administration has been extensively reworking the bill and intends to resubmit in its new form after extensive public review. Therefore, your Committee is using this bill as a vehicle to address the problem of prescribed fires which may impact threatened and endangered species.

After a prescribed burn in Makua Valley on Oahu escaped and caused considerable damage to both native Hawaiian cultural sites and endangered species in June 1995, to the considerable consternation of the community. As a result of the concerns expressed by the community, the United States Army held a community briefing to explain why the burn was necessary and what subsequently went wrong. In turn the community was able to educate some of the members of the Army as to native Hawaiian cultural concerns of which they were unaware.

The burn was originally intended to reduce fuel load, thereby minimizing the chances of a fire starting during the conduct of live fire field exercises by the Army in the valley. Fires have been started during these types of training exercises in the past. Because fires in this area cannot be readily fought due to the danger of exploding ordnance, wildfires have routinely burned the upper slopes within the valley and have on occasion spread to State Forest Reserves adjacent to the valley.

During the community briefing, the following became apparent:

- (1) A fire behavior expert with local experience would have been able to point out both the danger of a retardant fire line established in a thick mat of grass, and the hazard of using area ignition, as opposed to starting the fire at the fire line;
- (2) The military is not currently required to submit their burning plans for local review by qualified fire behavior experts;
- (3) According to case law, the military is not exempt from State laws which are part of our endangered species program;
- (4) There are no State or county laws which specifically state that a burning permit is required in cases where threatened or endangered species are placed at risk by the prescribed burn; and
- (5) Approximately two-thirds of an existing population of eighty-five endangered plants was destroyed in the Makua Valley fire.

It was determined by both citizens and the military that the way to avoid such incidents in the future would be to establish a coordinating council, within the Department of Land and Natural Resources, to review all burning plans and to coordinate laws, rules and policies of all agencies responsible for the regulation of prescribed burning so that such incidents as the Makua Valley fire can be avoided in the future. It was further recommended by the community that the military prepare an Environmental Impact Statement prior to conducting any prescribed fire that has the potential to affect adversely any threatened and endangered species, and that State law specifically require that a written fire plan be approved by the Department of Land and Natural Resources prior to conducting any prescribed burn.

Your Committee has therefore amended S.B. No. 1643, S.D. 2, by removing the text and inserting in its place language establishing the Hawaii Prescribed Burning Coordinating Council.

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 S.B. No. 1643, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1643, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kanoho, Santiago, Takamine and Meyer.

**SCRep. 1064-96 Energy and Environmental Protection on S.B. No. 2056**

The purpose of this bill is to require the Department of Health to establish air quality monitoring stations in order to monitor fugitive emissions by sources located in areas zoned for either industrial purposes or geothermal projects.

Your Committee heard testimony from the Department of Health and a concerned citizen, both in favor of the measure. The department did specify, however, that positions needed to be established within the Clean Air Branch that would handle such tasks proposed by the measure to ensure its effectiveness.

Your Committee agrees with the intent of the measure, and has accordingly amended the bill to authorize the department to establish both an exempt Toxicologist position and an exempt Air Quality Modeler position, both of which shall be funded by the Environmental Response Revolving Fund and the Clean Air Special Fund, respectively. Your Committee also further amended the bill by amending page 2, line 21 to page 3, line 6 to read, "Establish and operate

monitoring stations in any area to determine the concentration of air pollutants in the ambient air, including areas zoned for industrial uses and areas used for geothermal projects under chapter 196D."

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 S.B. No. 2056, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2056, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Santiago, Takamine and Meyer.

**SCRep. 1065-96 Energy and Environmental Protection on S.B. No. 2199**

The purpose of this bill is to amend Chapter 342J, Hawaii Revised Statutes, dealing with hazardous waste, to include "fuel" and "used oil", to amend the "used oil" statute to distinguish "recyclable used oil", which is not hazardous waste, from "used oil"; to consolidate regulations of "used oil" and "used fuel oil" under a distinct part of Chapter 342J, Hawaii Revised Statutes; and to repeal Chapter 342N, Hawaii Revised Statutes, which is the present "used oil" statute.

Your Committee heard testimony from the Department of Health and the State Attorney general in strong support of the measure.

After receiving the testimony, it was decided by your Committee to weigh in with its support of the bill, with the following amendments that were proposed by the Department of Health and the Attorney General:

- (1) Incorporate the language of sections 342N-30, 342N-31, 342N-32 and 342N-33, Hawaii Revised Statutes, to ensure that enforcement of the present used oil statute remains consistent; and
- (2) Amend section 128D-6, Hawaii Revised Statutes, dealing with liability for hazardous waste cleanup, to remove an ambiguity that might have exempted liability for any spill that occurs while in transport to a facility that burns oil for fuel as energy production.

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 S.B. No. 2199, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2199, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kanoho, Santiago, Takamine and Meyer.

**SCRep. 1066-96 Energy and Environmental Protection on S.B. No. 2227**

The purpose of this measure is to provide a tax credit for wet waste disposal to corporations.

Testimony in opposition to the proposal was received by your Committee from the Department of Taxation and the City and County of Honolulu. In support of the measure were Unisyn Corporation and Browning-Ferris Industries.

Your Committee agrees with the Department of Taxation that the enactment of tax incentives that benefits a single company, especially given the State's current fiscal position, is inappropriate. Given the severe shortage of available landfill space, which rightly deserves immediate attention, your Committee understands the reasons behind such a proposal; restricting it to resident corporate taxpayers, however, eliminates many of the small businesses, such as restaurants, that form the backbone of Hawaii's economy and in this Committee's view will do little, if anything, to help solve this State's problems with disposal of recyclable and bioconvertible solid waste in landfills and incinerators.

It was therefore decided by your Committee to amend S.B. 2227, S.D. 1, by removing the tax credit altogether and substituting language that will establish as a goal in the State's solid waste management policy the reduction or elimination of the necessity for disposal of recyclable or bioconvertible solid waste through landfilling or incineration, whenever and wherever possible.

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 S.B. No. 2227, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2227, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Santiago, Takamine and Meyer.

**SCRep. 1067-96 Energy and Environmental Protection on S.B. No. 2402**

The purpose of this bill is to authorize the Department of Budget and Finance to issue Special Purpose Revenue Bonds not to exceed \$50 million to assist Encogen Hawaii to establish a cogeneration power plant and related facilities to produce electricity for sale by the Hawaii Electric Light Company (HELCO).

Testimony was received from Encogen Hawaii in support of the project. Testimony was also received from Hawaiian Electric Co., Inc. supporting the intent of the original measure. It was during this testimony that its representative pointed out a situation that your Committee has the opportunity to rectify with this particular bill. Your Committee earlier in the session passed out the House companion bill of this Senate bill, which was subsequently passed by the House and sent over to the Senate, where it awaits certain passage. At the same time, your Committee chose not to hear H.B. No. 3100, which authorized special purpose revenue bonds not to exceed \$150 million to assist Hawaiian Electric in the

development of various projects on Oahu and Maui, deciding instead to await the Senate companion bill to arrive in the House. Due to unforeseen circumstances, the Senate bill never made it to Third Reading.

Your Committee has therefore made the determination that since the House's Encogen Hawaii bond measure is certain to pass Third Reading in the Senate, S.B. No. 2402, S.D. 1, would be an appropriate vehicle for the Hawaiian Electric bond measure. It has therefore amended the bill by deleting the text and inserting language that authorizes \$150 million in special revenue purpose bonds for the purpose of assisting Hawaiian Electric Company and Maui Electric Company. Your Committee has also taken the opportunity to provide clarification and guidance on the Kamoku-Pukele Project in order to ensure the concerns of various communities are taken into consideration.

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 S.B. No. 2402, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2402, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanohe, Takamine and Meyer.

**SCRep. 1068-96 Energy and Environmental Protection on S.B. No. 2777**

The purpose of this bill is to require the Department of Health to establish loan fees to support the operation of the Water Pollution Control Revolving Fund.

Testifying in support of the measure was the Department of Health, the City and County of Honolulu, the County of Maui, the County of Kauai, and the County of Hawaii.

Your Committee is cognizant of the fact that while the Federal Government has provided substantial financial support to the establishment of the revolving fund, which has enabled the State to issue low-interest loans to the counties to facilitate the construction of needed wastewater treatment transmission facilities, there are no provisions for continued federal support for this program.

Given the present prevailing mood in Washington, your Committee agrees that establishing a new means of supporting the fund is of the utmost importance, and has therefore amended the bill only for the purpose of technical clarity.

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 S.B. No. 2777, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2777, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanohe, Takamine and Meyer.

**SCRep. 1069-96 Energy and Environmental Protection on S.B. No. 2998**

The original purpose of this bill is to provide definitions for nuisance source, nuisance source pollutants, and ongoing emissions in the Hawaii Clean Air Act, and to allow the Department of Health to establish rules for the control of nuisance source pollution. The Senate amended the bill by removing the text and substituting language to provide environmental goals and objectives for the State's environmental programs.

Since your Committee found that language nearly identical to another bill that was also referred to your Committee at the same time, it was decided to further amend the bill by removing that text and substituting, at the request of the Department of Health, language that amends the statute creating the Environmental Health Program Enhancement and Education Fund by repealing the requirement that not more than \$90,000 of the fund be used during any fiscal year for fund administration, and amends Act 169, Session Laws of Hawaii 1994, which established the fund, by extending the sunset date of the fund from July 1, 1996 to July 1, 2000.

Your Committee's decision to continue the life of the fund was made in order to allow the Department of Health the financial resources to continue educating the industries it regulates, the public, and its staff. Rather than adhering to the limitations of a repealed provision, the department can more efficiently meet changing needs within its organization through its budget process.

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 S.B. No. 2998, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2998, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanohe, Santiago, Takamine and Meyer.

**SCRep. 1070-96 Energy and Environmental Protection on S.B. No. 3083**

The purpose of this bill is to amend the air pollution control laws to require the upgrade of emission control equipment to meet maximum achievable control technology standards at least every ten years.

Your Committee received testimony in support from the Department of Health, and in opposition from Chevron USA and Western States Petroleum Association.

Your Committee is mindful of the fact that any proposed upgrade would apply primarily to Chevron's facilities at Campbell Industrial Park, which were constructed prior to the passage of the Federal Clean Air Act in 1972, and thus

grandfathered from the requirements of that Act. Your Committee is also cognizant of the Senate's position that exemptions to requirements shouldn't be in perpetuity, and it is in the interest of the community health, safety, and well-being that aging facilities be encouraged to upgrade their technology to avoid potential problems that could have catastrophic consequences.

Since this bill was inspired by recent events which occurred in Campbell Industrial Park, your Committee has decided to continue keeping the focus of this measure on that particular area, and has amended the bill to:

- (1) Clarify which releases should be reported to the Department of Health;
- (2) Establish within the City and County of Honolulu Emergency Planning District a new district which shall be identified as the Campbell Industrial Park subdistrict;
- (3) Request the Hawaii State Emergency Response Commission to develop guidelines for submission by local emergency planning committees of proposals for projects that improve emergency planning, preparedness, and response;
- (4) Request the Hawaii State Emergency Response Commission to facilitate and coordinate with the Department of Health interagency environmental epidemiology studies which target priority areas such as Campbell Industrial Park; and
- (5) Request the Hawaii State Emergency Response Commission to advise the Department of Health to assess the disparity of air emissions caused in part by differences in the type and age of technology and equipment and the characteristics of fuels utilized by industrial facilities within Campbell Industrial Park and the regulated community, and to consider strategies and timelines to reduce such disparity.

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 S.B. No. 3083, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3083, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 1071-96 Energy and Environmental Protection on S.B. No. 3249**

The purpose of this bill is to require the Department of Health to make available for public access in a central location all of its environmental policies and guidelines, and to make public environmental education and awareness a priority in the State's environmental policy.

Your Committee received testimony in support of the measure from the Department of Health and the Western States Petroleum Association.

While it is in full agreement with the intent of this measure, your Committee is also fully aware of the State's current fiscal condition, and has thus amended the bill by removing all timelines and measures that were considered quantifiable and which would therefore require the department to expend already stretched revenues to fulfil the requirements set forth in the bill. It was the feeling of your Committee that such mandates did not properly belong in any statute which sets forth goals or broad policies. Your Committee also further amended the bill to flesh out goals regarding clean water and safe drinking water, air pollution, and other various problems that have adverse effects within urban areas.

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 S.B. No. 3249, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3249, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1072-96 Judiciary on S.B. No. 2699**

The purpose of this bill as received by your Committee is to provide an opportunity for the unwed parents to sign a voluntary acknowledgment of paternity at the birthing facility.

Testimony in support of the bill was received by your Committee from the Attorney General's Office, the Hawaii Women Lawyers, and the Judiciary.

Your Committee finds that the federal requirements which deal with providing personnel to answer the parent's questions, written materials to be given to the parents, proper forms for the acknowledgment, and an annual assessment of the birthing facility's program are missing from this measure. Federal regulations also require that due process be followed in the procedures developed by the State.

To provide due process to the parents your Committee has amended the bill to mandate identification of the birthing facility personnel who explain the rights on the voluntary acknowledgement form. In addition your Committee has amended the measure to place responsibility on the Child Support Enforcement Agency to prepare the acknowledgment, develop the written material describing the parent's rights, and conduct an annual assessment of the program at each birthing facility.

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 S.B. No. 2699, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2699, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, McMurdo, Menor and Saiki.

**SCRep. 1073-96      Judiciary and Consumer Protection and Commerce on S.B. No. 2401**

The purpose of this bill is to establish a temporary pilot project in the Judiciary to allow computer-based digital and electronic filing of court documents.

Testimony was received supporting the intent of the bill with suggested amendments received from the Department of Commerce and Consumer Affairs, Judiciary, and the Association for Information and Image Management.

Your Committees find that the Judiciary's computer system is unable to accept the system envisioned by this measure. An upgrade is required before the pilot project can be implemented. A special fund should be created to develop new technology in traffic enforcement, civil and criminal case processing and management.

Your Committees have amended the bill by establishing a computer special fund to upgrade the Judiciary's system with funding accomplished through an additional assessment for certified abstracts. In addition, your Committees amended the measure to establish a task force with an amended sunset provision of June 30, 2000 rather than 1999.

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 S.B. No. 2401, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2401, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hamakawa, Hiraki, McMurdo, Menor, Swain and Meyer.

**SCRep. 1074-96      Agriculture on S.B. No. 2682**

The purpose of this bill is to:

- (1) Authorize the Department of Agriculture (DOA) to assess fees for import permits;
- (2) Exempt algae, bacteria, and fungus used as food or for food preparation from import permit requirements;
- (3) Clarify the entry status of articles quarantined in DOA's biocontainment facilities;
- (4) Prohibit the importation of any plant or microorganism which is detrimental to the environment;
- (5) Authorize the issuance of special permits for the importation and possession of an animal or microorganism for purposes of conducting scientific research if the importer can meet permit requirements determined by the Board of Agriculture (BOA);
- (6) No longer mandate that such scientific research permit requirements be consistent with Centers for Disease Control (CDC) and National Institute of Health (NIH) guidelines; and
- (7) Authorize the DOA to issue short-term special permits for the importation and possession of certain animals for filming, performance, or exhibition purposes.

The DOA and the Department of Business, Economic Development, and Tourism submitted testimony supporting this bill. Comments were received from the University of Hawaii Professional Assembly, two University of Hawaii at Manoa (UHM) faculty members representing the UHM Department of Microbiology and the Hawaii Branch of the American Society of Microbiology, and a retailer of pet products. In addition, a representative of a private biomedical research company submitted testimony requesting that the bill be amended to retain the requirement that scientific research permit requirements be consistent with CDC and NIH guidelines.

Your Committee finds that the need to protect the community against the release of harmful animals, microorganisms, and plants must be balanced against the need to encourage scientific research and economic growth in Hawaii. Your Committee believes that amending this bill to retain the requirement that scientific research permit requirements be consistent with CDC and NIH guidelines will further that objective as it will expedite the permit review process while at the same time safeguarding the people and environment of this State.

Accordingly, your Committee has amended this bill by:

- (1) Retaining the requirement that scientific research permit requirements be consistent with CDC and NIH guidelines; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2682, S.D. 1, as amended herein, and recommends that

it pass Second Reading in the form attached hereto as S.B. No. 2682, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1075-96 Agriculture on S.B. No. 2683**

The purpose of this bill is to expand the shipment of honey bees to importing countries.

This bill authorizes the Department of Agriculture (DOA) to:

- (1) Certify as to the pest condition of honey bee shipments when health certificates are required as a condition for export; and
- (2) Charge fees to cover the certification costs.

The DOA testified in favor 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 S.B. No. 2683 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1076-96 Ocean Recreation and Marine Resources on S.B. No. 3248**

The purpose of this bill is to expand the laws relating to commercial use and operator permits for thrill craft and parasailing activities by:

- (1) Making the permits transferable;
- (2) Authorizing the Department of Land and Natural Resources (DLNR) to suspend a permit without a hearing if the activity may endanger the health or safety of passengers or the public;
- (3) Authorizing DLNR to distribute new permits through a public auction;
- (4) Establishing five-year permit periods for existing permits;
- (5) Establishing annual reviews by DLNR for new permits; and
- (6) Authorizing DLNR to adopt rules encouraging water safety education and programs relating to thrill craft and parasailing activities.

DLNR testified in favor of the intent of the bill and suggested amendments. Many owners of ocean sport businesses and others involved in parasailing and similar enterprises testified in favor of the bill, although nearly half of these had concerns about specific sections of the bill including the provision for public auction of the businesses and the open-ended cost of the fee required for a permit transfer.

To meet some of the concerns noted by the testifiers and your Committee's concerns, this measure was amended by:

- (1) Requiring new permits to be distributed by lottery not by auction;
- (2) Changing the amount of the permit transfer fee from "no less than ten per cent of the transfer price" to "no more than ten per cent of the transfer price";
- (3) Providing exceptions to the provision limiting transfers to no more than once every two years;
- (4) Providing for indefinite renewal of permits in existence on the effective date of the Act for five-year periods provided specified standards are met; and
- (5) Deleting the time period and the renewal provisions for new permits.

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 S.B. No. 3248, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3248, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1077-96 Economic Development and Business Concerns and Energy and Environmental Protection on S.B. No. 2238**

The purpose of this bill is to appropriate funds to initiate the planning of an International Ocean Floating All-Natural Clean Energy Power Conference (Conference).

Your Committees recognize the importance of establishing Hawaii as a world leader in clean energy research by providing the means to facilitate the exchange of ideas and technology on clean energy at an international level. However, your Committees note that the title of this bill is inconsistent with its content and that the title may also be deemed to be too narrow to encompass its content.

Upon consideration, your Committees have amended this bill by:

- (1) Appropriating sufficient funds to support the planning for the conceptual design and construction of an Ocean Floating All-Natural Clean Energy Power Station;
- (2) Deleting references to the Conference throughout the bill; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2238, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2238, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Kanoho, Takamine and Meyer.

**SCRep. 1078-96 Economic Development and Business Concerns, Tourism, and Labor and Public Employment on S.B. No. 2552**

The purpose of this bill, as received by your Committees, is to reorganize and rightsize state government by:

- (1) Abolishing the Department of Business, Economic Development, and Tourism (DBEDT), and the Department of Human Resources Development (DHRD), and transferring essential programs and personnel of these departments to other government agencies;
- (2) Reassigning all necessary functions and programs of the departments and agencies that are administratively attached to DBEDT to other state agencies;
- (3) Renaming the "Office of State Planning" (OSP), to the "Office of Planning," and transferring OSP from the Office of the Governor to the Department of Commerce and Consumer Affairs (DCCA);
- (4) Establishing an Office of Economic Development within the Office of the Governor to take on the economic development functions of the abolished DBEDT; and
- (5) Requiring the Governor to submit to the Legislature prior to the 1997 Regular Session, a report on the reorganization, along with findings, recommendations, and draft legislation to abolish DBEDT and DHRD.

Your Committees recognize that the role of government is inextricably tied to the health of the state economy, and therefore, it is necessary for government to undergo continual assessment of its role, function, and operations to ensure its optimal efficiency and productivity. Especially in these cash-strapped times, it is essential that government undergo critical self-evaluation to maximize cost-effectiveness to provide for a wider range of public services.

In light of the State's difficult fiscal situation, several approaches to improve state government have been initiated, such as streamlining, downsizing, and reorganizing state government processes and resources. Your Committees note that as part of streamlining state government, the reduction-in-force (RIF) and the administrative freeze on filling vacant positions in state government resulted in a workforce reduction of 2,880 full-time employees last year. It is your Committees belief that any further downsizing of state personnel and resources must proceed in a timely and orderly fashion, and with great sensitivity. In the process of reorganizing state government, the "human element" must be taken into account so as to restore confidence in government and to maintain the dignity of Hawaii's state employees. Lastly, any effort to change the way government operates must be well-thought and well-defined. Change should be initiated to bring about positive results; change should not be undertaken just for the sake of change.

Testimony in support of the bill was received from the United Public Workers. The Office of the Governor submitted testimony in support of the intent of the measure.

Comments on the bill were received from the Department of Budget and Finance; OSP; DBEDT; DCCA; DHRD; the American Planning Association; the President of the Hawaii Korean Chamber of Commerce; Atlantis Submarines Hawaii; the Executive Director of the Big Island Products Board; Hawaii Fashion Industry Association; GYA Architects, Inc.; the Chairperson of the Board and immediate past President of the Hawaii Captive Insurance Council; Oceanit Laboratories, Inc.; Hawaii's Thousand Friends; Makai Ocean Engineering; the Hawaii Business Roundtable; the Sea Grant College Program; and various private citizens.

Opposing testimony was received from the State Attorney General; the County of Kauai; a City and County of Honolulu Councilmember; the Energy Coordinator of the County of Kauai; the Hawaii Government Employees Association; the American Federation of Musicians; the International Alliance of Theatrical State Employees; the President of the Honolulu Japanese Chamber of Commerce; MCBOAT; ORINCON Hawaii, Inc.; PACON International; Pacific Marine; the Visitor Industry Education Council; the Hawaii Food Manufacturers Association; the Screen Actors Guild, Hawaii Branch; and various private citizens.

It is the intent of your Committees to provide a sound mechanism for the orderly, systematic, and comprehensive reorganization of state government.

Upon careful consideration, your Committees have amended this bill by deleting its substance and inserting new language. As amended, this bill requires the Governor to:

- (1) Formulate a strategy to consolidate the following administrative departments for implementation in fiscal year 1997-1998:
  - (a) The Department of Budget and Finance;
  - (b) The DHRD; and
  - (c) The Department of Accounting and General Services;
- (2) Formulating a strategy to consolidate the following business departments for implementation in fiscal year 1997-1998:
  - (a) The DBEDT;
  - (b) The DCCA; and
  - (c) The Department of Agriculture;
- (3) Further facilitate the reorganization of state government by examining the possible reorganization of the remaining state departments and offices; and
- (4) Submit to the Legislature prior to the 1997 Regular Session:
  - (a) A detailed plan, that includes redefining department roles, and their proposed budgets and the projected savings expected from the reorganization of the specified administrative and business departments;
  - (b) Findings and recommendations for the possible reorganization of the remaining state departments and offices; and
  - (c) A report on the effect of the reorganization on state government services.

In addition, this bill has been amended to:

- (1) Specify guiding principles to reorganize state government;
- (2) Make technical, nonsubstantive revisions for purposes of clarity, consistency, and style.

Your Committees believe that the amendments to this bill provide for careful, well-thought, and deliberate change to the way government conducts its business. The bill gives the Governor ample time to formulate strategies to consolidate state departments and offices. It is your Committees' belief that any reorganizational effort to state government should proceed in phases or increments, and that a timetable is needed to bring about real, effective change and to move ahead with results-oriented objectives. Furthermore, the Governor's report to the Legislature should provide details of, and clearly address, the following:

- (1) Ways in which government can become more "user-friendly";
- (2) Areas where government can eliminate duplicative or outmoded functions and activities, including a performance audit that can be used as a tool to assess the strengths and weaknesses of government functions and activities; and
- (3) Innovative ways of delivering government services and programs to the public, such as through privatization and competition.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns, Tourism, and Labor and Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2552, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2552, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Abinsay, Chang, Lee, Takumi, White and Ward.

**SCRep. 1079-96      Judiciary on S.B. No. 2458**

The purpose of this bill is to transfer marine patrol functions from the Department of Public Safety (PSD) to the Department of Land and Natural Resources (DLNR).

Your Committee received testimony in support of this bill from a representative of PSD and the Office of the Mayor of the County of Kaua'i. The Board of Land and Natural Resources (BLNR) and a private citizen supported the bill with amendments, and a representative of the Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO opposed the bill.

Your Committee finds that to improve and coordinate boating, ocean recreation, and coastal area enforcement programs under Chapter 200, Hawaii Revised Statutes (HRS), the marine patrol program should be transferred from the PSD to DLNR.

Your Committee has amended this bill by:

- (1) Deleting section 4 of the bill which relates to the transference of some of the enforcement powers of the director of transportation to DLNR under section 266-24, HRS;
- (2) Adding a section repealing section 31 of Act 272, Session Laws of Hawaii 1989;
- (3) Transferring the officers and employees of the Marine Patrol Program to the DLNR, instead of abolishing their positions;
- (4) Transferring appropriations, documents, and property of the marine patrol branch to the conservation and resources enforcement program specifically, rather than to DLNR generally;
- (5) Adding a section requiring a report from the chairperson of BLNR; and
- (6) Making 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 S.B. No. 2458, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 2458, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Hamakawa, McMurdo, Menor and Saiki.

**SCRep. 1080-96      Agriculture on S.B. No. 2278**

The purpose of this bill is to:

- (1) Appropriate funds for agricultural research and development, which is to be performed by the Hawaii Agriculture Research Center; and
- (2) Provide two matching fund provisions with regard to the appropriation.

Your Committee recognizes that to ensure the viability of agriculture in the State, it is important to continue agricultural research and development efforts to maintain and improve current crops grown across the State and to develop new crops.

The Department of Agriculture (DOA) submitted testimony indicating that it is in support of this bill, provided that the bill's passage does not replace or adversely affect the priorities in DOA's Executive Biennium Budget. Testimony in support of the measure was also submitted by the Hawaii Farm Bureau, the Hawaii Sugar Planters' Association (HSPA), HSPA's Experiment Station research staff, the Pineapple Growers Association of Hawaii, the Big Island Papaya Growers Association, the President of Amfac/JMB Hawaii, Del Monte, Coffees of Hawaii, and the Hawaii Coffee Association, and several private citizens. Gay & Robinson, Inc., the Farmers of Hawaii, and a private citizen submitted comments.

Your Committee has amended this bill by:

- (1) Requiring the Director of Finance to transfer funds from the Agriculture Loan Revolving Fund under section 155-14, Hawaii Revised Statutes, to the general fund for fiscal year 1996-1997 for agricultural research and development;
- (2) Including sugar research and development in the appropriation proviso; and
- (3) Making technical, nonsubstantive revisions 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 S.B. No. 2278, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2278, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1081-96      Hawaiian Affairs and Housing on S.B. No. 2614**

The purpose of this bill is to authorize the Department of Hawaiian Home Lands (DHHL) to employ or retain its own attorneys.

Testimony in support of this bill was received from the DHHL. The Attorney General submitted testimony in opposition to this measure.

Your Committee finds that situations may arise where the DHHL and the State may have conflicting interests. In such situations, the DHHL must have the authority to retain its own legal counsel so that it may fulfill its fiduciary duties to the native Hawaiian beneficiaries of the Hawaiian Homes Commission Act.

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 S.B. No. 2614 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, Hamakawa and Stegmaier.

**SCRep. 1082-96 Labor and Public Employment on S.B. No. 2836**

The purpose of this bill, as received by your Committee, is to:

- (1) Retroactively revise the actuarial valuations made for the years ending June 30, 1994, to June 30, 2000;
- (2) Change the excess investment yield rate; and
- (3) Reduce the annual salary increase assumption rate to four percent.

The Department of Budget and Finance testified in support of reducing the salary increase assumption to four percent. The Maui County Council presented testimony in support of this bill.

The Employees' Retirement System (ERS) presented testimony in opposition to changing the present eight percent investment yield rate and the six and one-half percent salary increase assumption rate. The ERS stated that it would reluctantly agree to reduce the annual salary assumption rate to four percent, with an eight percent investment yield rate, if the excess earnings provision is repealed.

Your Committee finds that lowering the salary assumption rate from the current six and one-half percent to four percent is more accurate in view of the State's current fiscal crisis and the budgetary constraints on future salary increases and would provide a savings of \$231.8 million. According to the State's actuary, assuming that there are no salary increases for the 1996 and 1997 fiscal years, the average across-the-board salary increase for the 1998, 1999, and 2000 fiscal years would have to be six and three quarters percent to produce a four percent average annual increase over the full five-year period. Based upon the current financial plan, it would not be possible for the State to provide the six and three quarters percent increase.

Your Committee has amended this bill to retain the present eight percent investment yield rate. The ERS needs to provide to the Legislature compelling reasons to show why the present rates should or should not be used, as well as the financial bases and reasoning for alternative proposals related to earned and unrealized earnings during the interim for enacting legislation next session. Further actuarial information needs to be obtained to study the financial impact of the repeal of the investment yield rate before further action is taken.

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 S.B. No. 2836, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2836, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Case.

**SCRep. 1083-96 Labor and Public Employment on S.B. No. 3020**

The purpose of this bill is to repeal the obsolete (September 1, 1970) salary schedules for teachers and educational officers in the Department of Education.

In addition, this bill:

- (1) Requires teachers and educational officer salaries to be negotiated through collective bargaining agreements;
- (2) Repeals the three classes of substitute teachers by establishing a single per diem rate for all substitute teachers based on the annual, entry step salary rate for class II teachers; and
- (3) Adds a provision requiring sections -724 and -725, Hawaii Revised Statutes, as contained in section 2 of SB 2446 or HB 3252 (Relating to the Recodification of the Education Statutes), as the case may be, to be amended to reflect the amendment of sections 297-33 and 297-33.1, Hawaii Revised Statutes, respectively, in this bill, if SB 2446 or HB 3252 is passed by the Legislature in any form during this Regular Session of 1996, to reflect the renumbering, restructuring, and reorganization of chapters 296, 296C, 296D, 297, 297D, 298, 299, 300, and 301, Hawaii Revised Statutes.

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 S.B. No. 3020, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Isbell, Takumi and Ward.

**SCRep. 1084-96 Agriculture on S.B. No. 2090**

The purpose of this bill is to:

- (1) Establish the Pesticide Use Revolving Fund (Revolving Fund) to provide funding to establish and support Department of Agriculture (DOA) programs relating to pesticides;
- (2) Raise the annual minimum fee charged for the licensing of pesticides to \$50 and increase the annual fee for the licensing of a restricted use pesticide to \$75;
- (3) Increase the penalty which may be imposed upon private applicators and other individuals for certain pesticide violations; and
- (4) Impose a twenty-day time limit in which a person charged with a pesticide violation may request an administrative hearing.

Testimony generally supportive of the bill was received from the DOA, the Hawaii Farm Bureau, the Hawaii Pest Control Association, and a person representing the American Crop Protection Association, the Western Crop Protection Association, the Responsible Industry for a Sound Environment, and several agricultural chemical manufacturers.

A retailer of pet products testified in opposition to this measure stating that some specialty pet product manufacturers may choose not to market their products in this State should there be a large increase in the pesticide licensing fee due to the limited size of the Hawaii market.

In its testimony, the DOA recommended amending the bill to:

- (1) Eliminate the two-tier pesticide licensing fee structure as the same amount of resources are expended for each license issued regardless of the pesticide's use classification; and
- (2) Increase the annual licensing fee to \$75 as Hawaii's present licensing fee is among the lowest in the nation.

The DOA estimated that revenues of \$470,000 would be generated in licensing fees if the bill were to be amended to reflect its recommendations. The Hawaii Farm Bureau similarly recommended amending the bill to establish a \$75 annual licensing fee for all pesticides regardless of use.

The Hawaii Pest Control Association and the representative of the American Crop Protection Association, the Western Crop Protection Association, the Responsible Industry for a Sound Environment, and several agricultural chemical manufacturers recommended increasing the Revolving Fund's cap of \$150,000 to ensure sufficient funding for the DOA to establish and conduct pesticide training workshops and other educational programs.

Your Committee finds that such training workshops and educational programs are an integral part of this bill due to the great potential for harm should pesticides not be applied properly. Additionally, while your Committee believes that the moneys expended from the Revolving Fund for such programs or services for the agricultural pest control industry and the structural pest control industry should be on an approximate pro rata basis, your Committee is concerned that putting such language in the bill may not give the DOA enough flexibility to effectively carry out its responsibilities in that regard.

Accordingly, after careful consideration, your Committee has amended this bill by:

- (1) Eliminating the two-tier licensing fee structure and establishing an annual licensing fee of \$75 for all pesticides;
- (2) Granting the Board of Agriculture (BOA) greater flexibility with regard to the setting of the annual licensing fee for certain pesticides by deleting the word "minimum" on page 2, line 16, of the bill so that the BOA may charge lesser fees for certain low volume specialty pesticide products;
- (3) Requiring that only fifty per cent of pesticide licensing fees be deposited into the Revolving Fund;
- (4) Eliminating the cap of \$150,000 placed on the Revolving Fund;
- (5) Requiring that moneys in the Revolving Fund be expended for pesticide training workshops and other educational programs for industries such as the agricultural pest control industry and the structural pest control industry rather than only permitting moneys to be expended for such purposes;
- (6) Permitting moneys in the Revolving Fund to be expended for the registration of specialty pesticide products with limited volume for consumer use to address the concerns of specialty pet product manufacturers;
- (7) Eliminating the requirement that any Revolving Fund moneys expended for training workshops and other educational programs for the agricultural pest control industry and the structural pest industry be on an approximate pro rata basis;
- (8) Requiring the BOA to prepare and submit an annual report to the Legislature for the next five years on the impact of the \$75 annual licensing fee for all pesticides regardless of use; and
- (9) Making technical, nonsubstantive revisions for purposes of style and clarity.

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 S.B. No. 2090, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2090, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1085-96 Water and Land Use Planning on S.B. No. 608**

The purpose of this bill is to provide for a land exchange between the State and Campbell Estate of approximately 183 acres involving lands in Kapolei, Oahu.

Testimony in support of this bill was received from the Department of Budget and Finance, the Department of Land and Natural Resources, the Estate of James Campbell, and the United Public Workers. The Office of Hawaiian Affairs opposed this measure.

Based upon the testimony presented, your Committee agrees that the proposed land exchange is in the public's interest and that the acquisition of a larger area of land above the H-1 Freeway, and other lands in the Kapolei area, will be more beneficial for the proposed University of Hawaii-West Oahu campus. Further, your Committee believes that the passage of this bill will afford the State greater flexibility in facilitating the development of a secondary urban center in Kapolei, Oahu.

Your Committee has amended this bill by correcting a drafting error so that the Act will take effect upon its approval.

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 S.B. No. 608, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 608, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, McMurdo, M. Oshiro, Yoshinaga and Meyer.

**SCRep. 1086-96 Water and Land Use Planning on S.B. No. 2007**

The purpose of this bill is to protect motorsports facilities from liability in the event that a participant is injured and seeks recovery from the facility.

This bill provides that any waiver and release, waiver of liability, or indemnity agreement signed by a participant or parent or guardian of a participant in a motorsports event shall be deemed an expressed assumption of the risk. The waiver would be valid and enforceable as a complete defense against any claim of personal injury.

The Consumer Lawyers of Hawaii testified in opposition to this bill.

Your Committee has amended this bill by:

- (1) Making this bill applicable only to participants eighteen years of age or older; 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 Water and Land Use Planning that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2007, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2007, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nekoba, Kanoho, M. Oshiro and Thielen.

**SCRep. 1087-96 Water and Land Use Planning on S.B. No. 2009**

The purpose of this bill is to ensure that the Legislature has the opportunity to determine whether or not any gift of land is in the best interest of the State.

This bill requires that:

- (1) Any gift of land to the State shall be subject to disapproval by the Legislature;
- (2) A written report shall be submitted annually by the Department of Land and Natural Resources (DLNR) to the Legislature that identifies all gifts of land made during the preceding year; and
- (3) The report shall contain information about the location of the parcel, the value of the land, the name of the appraiser, the date of the appraisal, and any conditions attached to the gift.

DLNR testified in support of this bill and suggested an amendment.

Your Committee has amended this bill by:

- (1) Requiring DLNR to submit a resolution for introduction to the Legislature for review of action on any gift of land twenty days prior to the convening of any regular or special session; and
- (2) Making technical, nonsubstantive revisions for purposes of consistency 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 S.B. No. 2009, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as S.B. No. 2009, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, M. Oshiro and Thielen.

**SCRep. 1088-96 Water and Land Use Planning on S.B. No. 2061**

The purpose of this bill is to review the State's Agricultural Lease Program by requiring the Department of Land and Natural Resources (DLNR), with the assistance of the Department of Agriculture (DOA), to:

- (1) Consult with agricultural lessees to determine their concerns and problems;
- (2) Submit findings and recommendations to the 1997 Legislature;
- (3) Amend administrative rules, as appropriate; and
- (4) Determine whether the administration of the State's Agricultural Lease Program should be transferred to the DOA.

The DLNR supported passage of this bill with amendments. The DOA supported the intent of this measure. The Hawaii Farm Bureau supported the bill, and a concerned individual offered comments.

Upon further consideration, your Committee has amended this bill by deleting its substance, and inserting therefor, the substance of H.B. No. 3293, H.D. 1. Your Committee notes that H.B. No. 3293, H.D. 1, passed out of the House of Representatives earlier this session after public hearings before this Committee as well as the Committee on Finance. Finally, your Committee has further amended this bill by directing the DOA to assist DLNR in conducting the review.

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 S.B. No. 2061, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2061, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, McMurdo, M. Oshiro, Yoshinaga and Meyer.

**SCRep. 1089-96 Water and Land Use Planning on S.B. No. 2324**

The purpose of this bill is to reduce poaching and trespassing on private lands by:

- (1) Requiring that any hunting or target shooting occurring on private lands must have the prior consent of the property owner;
- (2) Making it illegal to enter or remain in an area that is fenced to confine livestock;
- (3) Requiring that firearms used in an offense of criminal trespass in the first degree shall be forfeited to the State; and
- (4) Increasing the penalties for the second and third offenses of criminal trespass in the second degree.

The Department of Land and Natural Resources supported the intent of this bill. The Hawaii Farm Bureau and the Koolau Agricultural Co., Ltd. also supported this measure.

Your Committee has amended this bill by:

- (1) Increasing the maximum fine for criminal trespass in the second degree from \$1,000 to \$2,000 to make the penalty consistent with section 706-640 of the Penal Code;
- (2) Declaring that firearms used in an offense of criminal trespass in the first degree shall be contraband and forfeited to the State without regard to the forfeiture provisions of chapter 712A, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive revisions for the purpose of 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 S.B. No. 2324, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2324, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1090-96 Water and Land Use Planning on S.B. No. 2548**

The purpose of this bill, as received by your Committee, is to amend section 520-2, Hawaii Revised Statutes (HRS), by:

- (1) Broadening the definition of "recreational purpose" to include access to land used for recreational purposes; and

- (2) Limiting the liability of a landowner who is required to provide public access through or across that owner's property.

Testimony in support of this bill was received from the Department of Land and Natural Resources, the Land Use Research Foundation of Hawaii, the Hawaii Association of Realtors, Gentry Homes, Ltd., the attorney representing the Waialae Iki V Community Association (Association), and a resident and board member of the Association. Life of the Land and Koolau Agricultural Co., Ltd., opposed this measure.

The Consumer Lawyers of Hawaii (CLH), in its testimony, indicated that it opposed the original bill because the proposed amendment corrupted the purpose of chapter 520, HRS, in that this expanded definition of "recreational purpose" created a fiction where the mere use of a person's land is deemed recreational in nature. Accordingly, CLH recommended amendments which addressed the concerns of the bill's proponents.

Your Committee finds that there is an increasing demand for public access to recreational areas that can only be accessed through private lands. Furthermore, this demand for public access must be weighed against the need to protect landowners from liability when required or compelled to provide access.

After careful consideration of the testimony presented, your Committee has amended this bill by adding a new subsection (b) to section 520-4, HRS, that limits the liability of a landowner required or compelled to provide access to public recreation facilities or public trails through or across that owner's property because of state or county laws, ordinances, rulings, regulations, or orders.

As amended, this bill tailors the amendment to the situation being addressed while not overly broadening the immunity being given to private landowners.

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 S.B. No. 2548, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2548, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kanoho, M. Oshiro and Thielen.

**SCRep. 1091-96 Water and Land Use Planning on S.B. No. 2965**

The purpose of this bill is to exempt nonprofit corporations operating concessions at county botanic gardens or other county parks which are environmentally, culturally, historically, or operationally unique from the bidding requirements in section 102-2(b), Hawaii Revised Statutes.

Testimony in support of this bill was received from the Department of Parks and Recreation of the City and County of Honolulu (City), and the chairman of the board, the executive director, the president, and a past president of the Friends of Waipahu Cultural Garden Park.

Your Committee understands that the City has been seeking to foster long-term relationships with nonprofit groups whose aims are similar to the City. Exempting concessions operated by these groups from bidding requirements will not only alleviate the burden of compliance but also eliminate the additional expenses that are usually incurred.

Based upon the testimony presented, your Committee agrees that this exemption will assist the City in accomplishing its objectives and will afford nonprofit groups the opportunity to diversify their sources of revenue and to work toward self-sufficiency.

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 S.B. No. 2965, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nekoba, Kanoho, M. Oshiro and Thielen.

**SCRep. 1092-96 Water and Land Use Planning on S.B. No. 2992**

The purpose of this bill is to reduce the penalty for a violation of any rule of the Stadium Authority (Authority) to a fine not to exceed five hundred dollars.

Your Committee was informed by the Judiciary that this bill conforms parking and traffic violations on stadium property to chapter 291D, Hawaii Revised Statutes. Parking and traffic offenses are currently treated as petty misdemeanors which can subject an offender to criminal sanctions, including imprisonment. This bill will decriminalize parking and traffic offenses and is therefore consistent with the legislative intent of chapter 291D.

The Judiciary also recommended the addition of a separate subsection to address parking and traffic violations on stadium property.

Upon careful consideration of the testimony presented, your Committee has amended this bill as follows:

- (1) Deleted reference to parking and traffic violations as petty misdemeanors;
- (2) Retained statutory language treating a violation of any rule of the Authority regulating conduct as a petty misdemeanor;

- (3) Increased the fine from \$500 to \$1,000 for a violation of any rule of the Authority regulating conduct to conform to the fines for petty misdemeanors;
- (4) Added a new subsection to cover parking and traffic violations occurring on the Authority's property; and
- (5) Made technical, nonsubstantive amendments for purposes of clarity 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 S.B. No. 2992, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2992, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nekoba, Kanoho, M. Oshiro and Thielen.

**SCRep. 1093-96 Labor and Public Employment on S.B. No. 3232**

The purpose of this bill is to reorganize state government in order to implement a more efficient and effective delivery of government services.

In particular, this bill requires the Governor to formulate a strategy to abolish the Department of Business, Economic Development, and Tourism and the Department of Human Resources Development for implementation in the 1997-1998 fiscal year, and provides parameters for the downsizing, consolidation, or transfer of programs, services, and staffing. In addition, this bill reassigns the Office of State Planning to the Department of Commerce and Consumer Affairs for administrative purposes, and renames it the Office of Planning. The reorganization of state government is to be implemented by both the Legislature, in the setting of policies, and the Governor in developing the action plan to implement those policies.

While your Committee is in agreement with the need for the reorganization of state government, especially in light of the current fiscal crisis, your Committee believes that, rather than abolishing the Department of Business, Economic Development, and Tourism and the Department of Human Resources Development, the reorganization should focus instead on the Office of the Governor. During this time of fiscal constraint throughout state government, your Committee finds that the Office of the Governor should take the lead in streamlining its functions to provide for the most effective and efficient delivery of government services.

Upon further consideration, your Committee has therefore amended this bill by deleting its contents and inserting provisions that:

- (1) Abolish the Office of State Planning;
- (2) Transfer planning and related responsibilities from the Office of State Planning to the Department of Business, Economic Development, and Tourism;
- (3) Change the lead agency with respect to coastal zone management from the Office of State Planning to the Department of Land and Natural Resources;
- (4) Transfer the Advisory Council and Executive Coordinating Council with respect to grants, subsidies, and purchases of services from the Office of State Planning to the Office of the Governor for administrative purposes;
- (5) Transfer personnel, records, equipment, authorization, and funds; and
- (6) Make conforming amendments to the Hawaii Revised Statutes.

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 S.B. No. 3232, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3232, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1094-96 Consumer Protection and Commerce on S.B. No. 2758**

The purpose of this bill is to promote the financial solvency of mutual benefit societies and to protect consumers in the event of an insolvency of a mutual benefit society.

Specifically, this bill would, among other things, require mutual benefit societies to maintain a minimum net worth equal to the greater of:

- (1) \$1,500,000;
- (2) Two percent of annual premium revenues on the first \$150,000,000 of premium revenues and one percent on the premium revenues in excess of \$150,000,000;
- (3) An annual amount equal to three months health care expenditures incurred but not yet paid; or

- (4) Eight percent of annual health care expenditures and four percent of annual hospital expenditures.

Additionally, the bill provides:

- (1) A deposit requirement for mutual benefit societies;
- (2) That the contracts between mutual benefit societies and participating providers of health care services state that in the event the society fails to pay for health care services as set forth in the contract, the subscribers or enrollees will not be held liable to the participating provider for those sums owed by the society;
- (3) That the Insurance Commissioner (Commissioner) require each mutual benefit society to have a plan for handling insolvency that allows for continuation of benefits for the duration of the paid contract period and the continuation of benefits to members who are hospitalized at the time of insolvency;
- (4) A requirement that any rehabilitation, liquidation, or conservation of a mutual benefit society be conducted pursuant to the Insurance Code; and
- (5) That whenever the Commissioner determines the financial condition of any mutual benefit society to be hazardous, the Commissioner has the authority to take reasonably necessary action to rectify the condition.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs, Kaiser Permanente, and the Hawaii Medical Service Association. The Voluntary Employees' Benefit Association of Hawaii testified in support of the measure with serious reservations. The Mutual Benefit Association of Hawaii and Benefit Plan Consultants (Hawaii), Inc. submitted testimony supporting the intent of the bill. Opposing the bill was the Hawaii Government Employees Association and HDS Medical.

Your Committee finds that there is a need to protect consumers from health plan insolvencies. Act 179, Session Laws of Hawaii 1995, was enacted to protect consumers of health maintenance organization (HMO) health plans in the event an HMO became insolvent. This bill would provide the same type of protection for consumers of health plans provided by mutual benefit societies.

After carefully considering the merits of the measure and the testimonies received, your Committee has amended the bill by:

- (1) Requiring certain mutual benefit societies to maintain in their benefit funds, an amount not less than that required by the Commissioner;
- (2) Exempting mutual benefit societies that do not operate as a hospital and medical service, indemnity society, or corporation, and labor union mutual benefit societies from the aforementioned benefit fund requirement;
- (3) Deleting the following:
  - (A) Two percent of annual premium revenues on the first \$150,000,000 of premium revenues and one percent on the premium revenues in excess of \$150,000,000;
  - (B) An annual amount equal to three months health care expenditures incurred but not yet paid; and
  - (C) Eight percent of annual health care expenditures and four percent of annual hospital expenditures;
 

as part of the minimum net worth requirements, and inserting therein:

    - (i) Four percent of annual premium revenues; and
    - (ii) An annual amount equal to ten percent of the annual health care and operating expenses incurred;
- (4) Including definitions for "capitated basis", "managed hospital payment basis", "net worth", and "uncovered expenditures", that closely track the definitions of the same terms in the Health Maintenance Organization Act (Chapter 432D, Hawaii Revised Statutes);
- (5) Including a definition for "health care expenditures" to mean claims incurred;
- (6) Replacing "enrollee" and "subscriber" with "member" as "enrollee" and "subscriber" apply to HMOs and not mutual benefit societies; and
- (7) Making other technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee believes that as amended, this bill balances the need to promote the financial solvency of mutual benefit societies and protect consumers in the event of a mutual benefit society insolvency, with the State's goal of stimulating economic development. The provisions contained in the bill should not hamper the ability of existing mutual benefit societies to continue business, nor should it impede the efforts of new societies to enter Hawaii's market.

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 S.B. No. 2758, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2758, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, Hiraki, Tom and White.

**SCRep. 1095-96 Consumer Protection and Commerce on S.B. No. 3158**

The purpose of the bill is to authorize the issuance of pooled insurance for public works and private construction projects with an estimated cost of \$50,000,000 or more.

Testimony in support of the bill was received from the Department of Accounting and General Services, and Marsh and McClellan, Inc. The Insurance Division of the Department of Commerce and Consumer Affairs, Department of Labor and Industrial Relations, and Hawaii Insurers Council submitted comments on the measure.

Under a pooled insurance arrangement, public or private developers of large projects procure and pay for workers' compensation and other liability insurance for all contracting parties on a construction project. Substantial savings in insurance costs are typically achieved in these construction "wrap ups" because the developer's buying power allows it to leverage the most favorable coverage available on the market. Additional savings are realized through the use of performance incentives which reduce or rebate premiums if insurance losses are below an established rate. Besides resulting in cost savings, these incentive programs enhance project efficiency and promote worker health and safety. Hawaii is the only eligible state that does not presently authorize construction "wrap ups".

The bill has been amended by deleting language authorizing the inclusion of construction bonds in pooled insurance arrangements. Construction bonds guarantee the performance of individual contractors or subcontractors, and therefore, should be issued separately for each contracting entity. No other state permits the inclusion of construction bonds in a pooled insurance arrangement.

Your Committee has also amended the bill to authorize the Commissioner to adjust or terminate an insurer's take out credit program depending on market conditions, subject to the provision that prior credits earned by the insurer are not affected. Act 234, 1995 Session Laws of Hawaii, established the take out credit program to encourage insurers to remove an insured risk from the residual market. A participating insurer is eligible for a take out credit applicable against its residual market assessment base levied under the plan. The bill, as amended, provides the Commissioner with the flexibility to adjust or terminate an insurer's take out credit program upon a determination that one or more carriers, who lack the capacity to remove insureds from the assigned risk pool, are being burdened with the pool's entire loss assessments. This amendment has been fully reviewed and is supported by the Insurance Commissioner and the Hawaii Insurers Council.

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 S.B. No. 3158, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3158, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, Hiraki, Tom and White.

**SCRep. 1096-96 Water and Land Use Planning on S.B. No. 2010**

The purpose of this bill is to require the Board of Land and Natural Resources (Board) to annually submit to the Legislature, a written report on the use of at least ten percent of all public lands in the State.

This bill requires the Board to evaluate at least ten percent of the parcels of total public lands in the State so that each parcel or area of public land shall be reported on at least once during a ten-year period. The report is to contain:

- (1) An explanation why the particular use of each parcel is superior to other alternative uses, including disposal, in terms of the public interest; and
- (2) If a parcel of land is leased to a person in the private sector, an evaluation of the terms and conditions of the lease agreement.

The Legislature, by the adoption of a concurrent resolution, may direct the board to include particular parcels or areas in the report.

Testimony in support of this bill was received from the Department of Land and Natural Resources. The Office of Hawaii Affairs and a private citizen submitted testimony in support of the intent of this measure.

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 S.B. No. 2010 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nekoba, Kanoho, M. Oshiro and Thielen.

**SCRep. 1097-96 Water and Land Use Planning on S.B. No. 2013**

The purpose of this bill is to amend the State Water Code by:

- (1) Removing the Chairperson of the Board of Land and Natural Resources (BLNR) and the Director of Health from the Commission on Water Resource Management (Commission). As a result, all six members would be subject to appointment by the Governor and confirmation by the Senate;

- (2) Requiring that each member shall have substantial experience in the study, conservation, or management of water;
- (3) Requiring that the counties and the Commission consider and incorporate into the Hawaii Water Plan the current and foreseeable needs for purposes such as "domestic uses, aquaculture uses, irrigation and other agricultural uses, power development, commercial and industrial uses, municipal uses, and the public water supply";
- (4) Authorizing the Commission to review water-use permits at any time to determine whether the use is as authorized or to ensure compliance with appropriate water conservation practices;
- (5) Requiring that various traditional and customary rights of ahupuaa tenants shall be subject to reasonable conservation practices and deleting the right to gather thatch, ti leaf, and aho cord; and
- (6) Requiring the Commission to adopt procedures to validate legitimate appurtenant rights claims.

The following agencies and organizations testified on this bill: the Department of Land and Natural Resources (DLNR); the Department of Health; the Department of Hawaiian Home Lands; the Office of Hawaiian Affairs; the Environmental Center of the University of Hawaii at Manoa; the City and County of Honolulu Board of Water Supply; the Land Use Research Foundation of Hawaii; the Native Hawaiian Legal Corporation; the People's Water Conference; Ka Lahui Hawaii; and a concerned individual.

Your Committee has amended this bill as follows:

Commission Membership:

- (1) Restored both the Chairperson of BLNR and the Director of Health to the Commission as ex officio voting members. With this amendment, the six members will elect their own chairperson. Relatedly, section 174C-6(a), Hawaii Revised Statutes (HRS), was amended for consistency purposes.

Many of the testifiers recognized the advantages of having these two directors serve as members on the commission. These include their expertise, background, as well as access to departmental resources.

Incorporating Needs into Plans:

- (2) Broadened the different types of water needs that the counties and the Commission must incorporate into any revisions made to the different components of the Hawaii Water Plan by including additional uses such as those relating to: the protection of traditional and customary Hawaiian rights; the maintenance of proper ecological balance and scenic beauty; and so forth.

Your Committee has included each of the different types of water needs set forth in the Water Code's declaration of policy under section 174C-2(c), HRS. With the inclusion of this language, the provisions of section 174C-31(h), HRS, are redundant and have therefore been deleted.

Traditional and Customary Rights:

- (3) Deleted the amendments relating to native Hawaiian water rights.

Testimony from those who benefit from these provisions did not support the amendments.

Effective Date:

- (4) Changed the effective date to July 1, 1996.

This amendment improves the possibility that a decision on the Waiahole contested case hearing will have been reached before this measure is enacted into law. It is your Committee's intent that the provisions of this bill not interfere or affect the on-going Waiahole contested case hearing.

Finally, technical, nonsubstantive amendments were made for purposes of consistency 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 S.B. No. 2013, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2013, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, M. Oshiro and Thielen.

**SCRep. 1098-96 Water and Land Use Planning on S.B. No. 2659**

The purpose of this bill is to increase criminal penalties when a person poaches upon State land. The bill also provides for civil, administrative penalties.

Your Committee finds that poaching, especially on the neighbor islands, is a serious problem. Your Committee believes that this bill containing both civil and criminal penalties will strengthen the effectiveness in deterring poaching.

Testimony in support of this bill was received from the Department of Land and Natural Resources and the Nature Conservancy of Hawaii.

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 S.B. No. 2659, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Takamine and Kanohe.

**SCRep. 1099-96 Water and Land Use Planning on S.B. No. 3170**

The purpose of this bill, as received by your Committee, is to authorize the Department of Land and Natural Resources (DLNR) to negotiate and enter into long-term leases with revocable permittees in the Waimanalo area who were unable to obtain a long-term lease under Act 237, Session Laws of Hawaii (SLH) 1988. This bill directs the DLNR to assist these permittees in the reclassification of their nonagriculturally-zoned lands to agricultural use.

A group of concerned Waimanalo permittees testified in strong support of this bill. The DLNR, in its support of this bill, requested that this bill be amended to track the language contained in Act 237, SLH 1988.

Your Committee finds that passage of this bill is essential to the livelihood of these Waimanalo farmers who can only qualify for month-to-month revocable permits from the DLNR because they either conduct farming activities on nonagriculturally-zoned land or were declared ineligible for a lease under Act 237.

Furthermore, your Committee believes that although some farmers have resided on their lands for long periods of time, the uncertain tenure of these revocable permits has been the reason many have not been able to obtain financing for any improvements to their property. This lack of an assured long-term tenure has also inhibited permittees from investing in the further development of their lands.

Based upon the testimony presented, your Committee has amended the bill as follows:

- (1) Clarified section 1 so that the DLNR's authorization encompasses the negotiation of long-term leases under specific terms, conditions, and restrictions imposed by this Act;
- (2) Inserted language in section 2 to authorize the DLNR to negotiate and enter into leases of not less than fifteen years and not more than thirty-five years;
- (3) Included "land not used for sugar cane or pineapple cultivation" to the list of eligible lands in section 3;
- (4) Inserted a section 4 to clearly set forth the factors that the Board of Land and Natural Resources (Board) must take into consideration in its lease negotiations;
- (5) Added that the appraisal of the parcel considered by the Board must be in accordance with section 171-17(b);
- (6) Added that the Board impose lease provisions, restrictions, and conditions as provided by sections 171-35, 171-36, and 171-37 which may be necessary to protect the State's interests; and
- (7) Made technical, nonsubstantive changes for purposes of clarity 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 S.B. No. 3170, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 3170, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Kanohe, M. Oshiro, Meyer and Thielen.

**SCRep. 1100-96 Water and Land Use Planning on S.B. No. 3214**

The purpose of this bill is to authorize the Department of Agriculture (DOA) to negotiate and enter into long-term lease agreements with certain permittees on agricultural lands. This bill directs the DOA to:

- (1) Notify permittees of their eligibility for leases within six months of the effective date of this Act;
- (2) Inform eligible permittees of the terms, conditions, and restrictions provided by this Act;
- (3) Acquire an appraisal of the parcel to determine the fair market value;
- (4) Use the fair market value established by the appraisal to determine the annual lease rent;
- (5) Require the payment of a premium; and
- (6) Recover the cost to convert the parcel to leasehold from the lessee.

Testimony in support of this bill was received from the Department of Agriculture and the Kahuku Farmers Association.

Your Committee finds that this measure allowing the DOA to enter into lease agreements with qualified permittees is in the public interest, consistent with the objectives of the Hawaii State Plan, and that the State will realize greater returns from the long-term disposition of lands now under permit.

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 S.B. No. 3214, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, M. Oshiro, Meyer and Thielen.

**SCRep. 1101-96 Water and Land Use Planning, Ocean Recreation and Marine Resources, and Energy and Environmental Protection on S.B. No. 2656**

The purpose of this bill is, among other things, to:

- (1) Authorize the Board of Land and Natural Resources (BLNR) to accept grants, donations, and contributions from any public or private source;
- (2) Create a trust fund for donations and contributions received; and
- (3) Require BLNR to submit an annual report on these donations and contributions to the Legislature.

The BLNR testified that the current state of the economy has motivated BLNR to consider alternate sources of revenue enhancement. Passage of this measure would assist BLNR in decreasing its dependence on general fund appropriations and to shift toward grants, donations, and contributions from any source.

BLNR supported this bill but requested this measure be amended to permit BLNR to submit the annual report within 10 days of the convening of each regular or special session so that the date coincides with the date the BLNR must submit its report to the Legislature on all dispositions pursuant to section 171-29, Hawaii Revised Statutes.

Based upon the testimony presented, your Committees have amended this bill to require that the annual report be submitted within ten days of the convening of each regular or special session instead of the proposed thirty days.

As affirmed by the records of votes of the members of your Committees on Water and Land Use Planning, Ocean Recreation and Marine Resources, and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2656, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2656, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Takamine, Kanoho, McMurdo, Yoshinaga and Meyer.

**SCRep. 1102-96 Health on S.B. No. 2751**

The purpose of this bill is to:

- (1) Allow physicians licensed in other states to qualify for licensure in Hawaii by meeting certain examination requirements; and
- (2) Revising the eligibility requirements for examination for licensure as a physician.

Under the present law, an applicant for licensure cannot take the licensing examination until residency is completed. The examination, the United States Medical Licensing Examination, is administered by a national organization which, effective this year, rescheduled the semi-annual examination dates from June and December to May and December. Residency terms typically end in June. Unless the present statutes are amended, applicants finishing their terms in June will not be permitted to take the May examination, but be forced to wait a half-year to take the December examination. Your Committee finds that this predicament would impose an unreasonable barrier to persons seeking to enter the medical profession and should be promptly removed.

Secondly, this measure allows certain physicians licensed in other states to be eligible for a state license if they passed the Special Purpose Examination (SPEX). These physicians have otherwise met the education, residency, and certification requirements of this State. However, the licensing examination that they had passed in the other state was not one of the national examinations, but only a state-developed one.

Under the present law the State does not recognize state-developed examinations. Instead the State recognizes the three national examinations--the National Board of Medical Examiners (NBME) examination, the Federation Licensing Examination (FLEX), and the United States Medical Licensing Examination (USMLE). This third examination was evidently created to replace the other two examinations.

In the past, licensees from other states who had previously passed a state-produced examination were able to qualify for a state license if they subsequently passed the FLEX. However, the FLEX has been discontinued, and the USMLE is not available to them. Accordingly, due to the stages of development of the national examinations, out-of-state licensees are currently foreclosed from obtaining a state license, unless an alternative examination to FLEX can be recognized. Your Committee believes that the recognition of SPEX as the alternative will serve to remove an unintended protectionist barrier created in the wake of mainland developments.

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 S.B. No. 2751, S.D. 1, 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. 1103-96 Health on S.B. No. 3198**

The purpose of this bill is to begin a process intended to transform the Hana Medical Center (Center) from a state agency to a nonprofit organization.

Testifying in support of the bill, the Hana Health Committee emphasized the substantial annual financial losses experienced by the Center. According to this committee, the high costs are the result of operating the Center on the basis of a "hospital" model rather than a community-based primary care model.

Also testifying in support of the bill were the Hawaii State Primary Care Association, a member of the Maui County Council submitting testimony as an individual, and another individual.

The Department of Health (DOH) testified in support of the bill with a minor amendment.

The United Public Workers testified in opposition to the bill.

Your Committee finds that Hana's relatively small size and physical isolation contribute to the difficulty in accessing medical services. Many Hana residents are frustrated at the way in which the Center is operated because they perceive that authorities outside the community are not responsive to local conditions. A change in the status of the Center to a nonprofit organization will facilitate community-based services and may also qualify it for federal funds, thereby providing additional resources for the Center.

Efforts to improve the quality of available health care by the Hana community, and in particular the Hana Health Committee, should be commended. Your Committee supports the conclusion of the Hana Health Committee that the Center should be transformed from a state agency to a community-based nonprofit organization, and declares this to be a public policy.

Nonetheless, a successful transition depends upon the resolution of two sensitive issues that were raised at the hearing. Concerns were expressed about the status of employees after the transition and about the existing ambulance service. The discussion clearly established that committee members want existing benefits of current employees to be preserved. Your Committee urges all interested parties to develop solutions to resolve these issues. Your Committee notes that page 3 of the bill requires both of these issues to be resolved prior to the release of the Center from the Division of Community Hospitals.

After full and free discussion, your Committee has amended the bill by:

- (1) Requiring DOH to submit a report to the Legislature whether or not certain specified issues are resolved; and
- (2) Changing the requirements of the report by deleting the inclusion of a plan to expedite the transition, and instead requiring recommendations for a process to complete the transition.

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 S.B. No. 3198, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3198, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 1104-96 Labor and Public Employment on S.B. No. 3012**

The purpose of this bill is to allow an unmarried child of a member of the Public Employees Health Fund (Health Fund), who is over 19 and under 23 years of age, enrolled in an educational institution as a full-time student, and deemed eligible, to receive health benefits under the Health Fund.

The Board of Trustees of the Health Fund and the University of Hawaii Professional Assembly supported this measure. The Department of Budget and Finance opposed the bill.

Upon further consideration, your Committee amended this bill to:

- (1) Cover medical plan benefits, and not drug, vision, and dental plan benefits, for children over 19 and under 23 years of age;
- (2) Maintain the children in a special group to be administered by the Health Fund's insurance carriers;
- (3) Not recognize these children as dependent-beneficiaries under section 87-1(4), Hawaii Revised Statutes; and
- (4) Change the effective date to September 1, 1997, to coincide with the educational school year.

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 S.B. No. 3012, S.D. 2, as amended herein,

and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3012, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1105-96 Labor and Public Employment on S.B. No. 1810**

The purpose of this bill is to amend the law with respect to retirement benefits for elective officers, judges, and others.

Specifically, this bill:

- (1) Deletes the early retirement provision for judges, elective officers, and certain legislative officers;
- (2) Provides that, if a member has any credited service as an elective officer or as a judge, in addition to credited service in a nonelective position, the member's retirement allowance will be subject to calculation as follows:
  - (A) For each year of credited service as a judge or elective officer, other than an elected officer who serves as governor, lieutenant governor, or mayor, the retirement allowance shall be calculated at 3.5 percent of the member's average final compensation, plus an annuity;
  - (B) For each year of credited service as governor, lieutenant governor, or mayor, the retirement allowance shall be calculated at 3.5 percent of the member's average final compensation; and
  - (C) For each year of credited service in a position other than judge or elective officer, the retirement allowance shall be calculated at 2, 2.5, and 1.25 percent for credited service earned as a class A, B, or C member, respectively;
- (3) Amends ordinary disability retirement benefits for:
  - (A) Judges and elective officers to range from 1.25 to 2 percent of the member's average final compensation for each full year of credited service for service other than in the capacity of a judge or elective officer, depending upon the nature of their services; and
  - (B) Certain legislative officers to be 1.75 percent of the member's average final compensation for each full year of credited service;
- (4) Provides that if a member has credited service as a judge or elective officer, the average final compensation shall be computed separately based on the three highest years of each individual type of service rendered; and
- (5) Changes the status of certain legislative officers from contributory to noncontributory members of the Employees' Retirement System (ERS).

This bill, as received by your Committee, contains a fatal flaw because it lacks an enacting clause as required by Article III, section 14 of the Constitution of the State of Hawaii.

Your Committee has amended this bill by:

- (1) Amending the manner in which the pension of a judge, elective officer, or legislative officer is computed by subjecting their retirement allowances to a trifurcated calculation;
- (2) Deleting the early retirement penalty exception for judges, elective officers, and certain legislative officers;
- (3) Clarifying that the method of calculating retirement allowances for certain legislative officers at 2, 2.5, and 1.25 percent for credited service earned as a class A, B, or C member, respectively;
- (4) Providing that this bill not apply to any year of credited service completed prior to September 1, 1996;
- (5) Removing the 75 percent benefit limitation requirements for judges, elective officers, and certain legislative officers;
- (6) Restoring current benefits for certain legislative officers;
- (7) Changing the effective date to September 1, 1996;
- (8) Inserting an enacting clause to ensure that the bill meets the constitutional requirements of Article III, section 14 of the Constitution of the State of Hawaii;
- (9) Adding a period to the title and amending the heading of the bill to conform with fundamental bill drafting conventions; and
- (10) Making technical, nonsubstantive amendments to correct drafting errors.

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 S.B. No. 1810, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1810, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1106-96 Health on S.B. No. 2522**

The purpose of this bill, as received by your Committee, is to extend the respective sunset provisions, exemptions, autonomy and other powers currently granted to the Division of Community Hospitals to continue for a period of two years.

Testimony in support of the bill was received from the Hawaii Government Employees Association. The Department of Health and The Healthcare Association of Hawaii support the bill but stated that they prefer House Bill no. 3492 HD2.

Testimony given by The Hawaii Medical Association supports the intent of the bill in regards to the extension of the sunset provision, but continues to support the language regarding the creation of the five regional boards in House Bill No. 3492, HD 2.

After careful consideration, your Committee has amended this bill by replacing its entire content with the language from House Bill no. 3492, HD2 as this bill was the result of community input and allows the communities involved to be a part of the governance and operation of the hospitals. Your Committee feels that this bill will permit the community hospitals to more quickly respond to rapid changes in the health care environment which will occur over the next few years.

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 S.B. No. 2522, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2522, S.D. 1, 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. 1107-96 Health on S.B. No. 3058**

The purpose of this bill is to create a structure to enable health care decisions to be made by a person designated by the family or a close personal friend for an incapacitated person who has not executed an advance health care directive such as a living will.

Testimony in support of the bill was submitted by the Hawaii Long Term Care Association, the Hawaii Nurses' Association, the Hawaii Medical Association, the Healthcare Association of Hawaii, the Hawaii Society for Social Work Administrators in Health Care, the Hawaii Association for Home Care, Pearl City Nursing Home, the American Association of Retired Persons, Island Nursing Home, and fourteen individuals.

Testimony in opposition to the bill was submitted by Hawaii Right to Life, the Guardianship Task Force, Kehilat Ha Melech, the Protection and Advocacy Agency of Hawaii, and nine individuals.

Your Committee finds that fundamental changes in the health care environment and in the larger society have necessitated the creation of a mechanism to designate surrogate decision makers for institutionalized persons who no longer have the ability to make reasoned decisions about their health care.

For example, the traditional community practice of having family members make decisions for their incapacitated loved ones is threatened by federal regulations that require that a legal surrogate be designated for incapacitated residents of nursing homes. Since Hawaii has no law regarding decisionmaking by surrogates, it forces these facilities to obtain guardians for decisionally incapacitated patients. Decisions in nursing homes, intermediate care facilities, and hospitals sometimes need to be made quickly.

However, at present, the process of securing guardianship is often very lengthy in Hawaii because the staffing for the agency that processes petitions for guardianship has been significantly reduced.

Your Committee believes that family members are generally the best ones to make health care decisions for loved ones who are not able to make health care decisions for themselves. The ability of family members or, in their absence, a close personal friend, to make health care decisions for an incapacitated person, must be balanced with the need to ensure sufficient protections for the person, and to ensure that those decisions, to the extent possible, reflect the decisions which the person would make if the person were competent.

Your Committee has amended the bill to address many of the concerns that were raised at the hearing. The framework within which these changes were made was to respect the autonomy of the person while providing substitute decisionmaking which would reflect the wishes and needs of the incapacitated individual rather than institutions, professionals, or families to the extent possible.

After full and free discussion, your Committee has amended the bill by:

- (1) Revising the purpose section and placing it in the Session Laws of Hawaii rather than the Hawaii Revised Statutes;
- (2) Restricting decisions made by legal surrogates to apply to people residing in acute, skilled nursing, and intermediate care facilities, thereby excluding those residing in their homes;
- (3) Raising from eighteen to twenty-one the minimum age at which a close personal friend may act as a legal surrogate;

- (4) Requiring family members to select a legal surrogate rather than allowing any family member to act as a legal surrogate;
- (5) Referring to the physician or advanced practice registered nurse who has undertaken primary responsibility for a person's health care as a "supervising health care professional" rather than a "supervising health care provider";
- (6) Allowing the primary physician or advanced practice registered nurse to designate another individual as the supervising health care professional;
- (7) Deleting the authorization for a patient or resident to designate a legal surrogate by oral expression to the supervising health care professionals, thereby requiring the designation to be made in writing only;
- (8) Deleting the requirement that the spouse reside with the person immediately prior to the incapacitation, and deleting the requirement that the life partner be designated by the person, in order to act as a legal surrogate;
- (9) Prohibiting the legal surrogate to be selected by the supervising health care professional or the health care institution;
- (10) Clarifying that the legal surrogate may make decisions to withhold or withdraw nutrition or hydration or other life sustaining measures when the supervising health care professional determines that the condition of the patient or resident is terminal. Also requires the legal surrogate to consult with at least two specified professionals or committees in making such a decision;
- (11) Deleting the requirement that the health care provider assist in the transfer of the patient or resident when the provider is unwilling to comply with a health care decision;
- (12) Replacing the due diligence standard with a good faith standard with regard to immunities for health care providers and institutions; and
- (13) Making technical, nonsubstantive revisions 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 S.B. No. 3058, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3058, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Hamakawa, Kawakami and Anderson.

**SCRep. 1108-96 Human Services on S.B. No. 2304**

The purpose of this bill is to:

- (1) Reduce from one year to six months the maximum period that all eligible people shall be able to receive benefits from the general assistance program; and
- (2) Delete the category of people whose primary diagnosis is substance abuse, resulting in equal treatment for all recipients of general assistance.

The Department of Human Services (DHS) submitted testimony in support of the bill because it allows DHS to remain within its legislative appropriation.

Submitting testimony in opposition to the bill were the Committee on Welfare Concerns, the Kalihi-Palama Health Center, the Protection and Advocacy Agency of Hawaii, the Mental Health Association in Hawaii, the State Planning Council on Developmental Disabilities, the Commission on Persons with Disabilities, the Hawaii Women's Political Caucus, the National Association of Social Workers, the Hawaii Psychological Association, the Central Oahu Service Area Board on Mental Health and Substance Abuse, the Hawaii Psychiatric Medical Association, the American Friends Service Committee Hawaii Area Program Office, Mental Help Hawaii, and eleven individuals.

The Oahu Alliance for the Mentally Ill, Inc. expressed deep concerns about the bill. The Salvation Army Family Treatment Services, the Legal Aid Society of Hawaii, and an individual opposed the limitation of six months on general assistance benefits. Mililani Presbyterian Church and an individual urged restoring the entitlement to general assistance. The Affordable Housing and Homeless Alliance, the Hawaii Centers for Independent Living, and the Hawaii Nurses' Association requested amending the bill.

Your Committee was moved by the sincerity and the quantity of testimony in opposition to the intent of the bill. As a result, your Committee asked DHS to work with advocates to develop a proposed draft of the bill that would be mutually acceptable. Your Committee agrees with the draft that was developed and has amended the bill by:

- (1) Deleting the six-month limit on receiving general assistance benefits;
- (2) Deleting the discretion of the Director of Human Services to determine the allowance for general assistance;
- (3) Setting the allowance for general assistance at sixty-two and one-half per cent of a standard of need, which is calculated by dividing the 1993 federal poverty level by twelve;

- (4) Requiring rather than authorizing DHS to provide public assistance to eligible persons under the general assistance program;
- (5) Deleting the requirement to exclude an entire assistance unit from receiving benefits when an adult member of the assistance unit fails to comply with the requirements of general assistance;
- (6) Deleting the requirement that DHS determine requirements for categorical eligibility; and
- (7) Deleting the requirement that persons already receiving general assistance on the effective date of the Act by reason of disability shall not be entitled to another period of six months of assistance.

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 S.B. No. 2304, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2304, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1109-96 Human Services on S.B. No. 2713**

The purpose of this bill, as received by your Committee, is to:

- (1) Increase the asset disregard in the calculation of assistance payments from \$1,000 to \$5,000; and
- (2) Authorize the Director of the Department of Human Services (DHS) to determine the assistance allowance for all assistance payments, and not just for the general assistance program, based upon the total amount appropriated, among other relevant factors and not based upon a percentage of the standard of need.

The DHS submitted testimony in favor of this bill. The National Association of Social Workers, Hawaii Chapter (NASW), and the Committee on Welfare Concerns (CWC) submitted testimony in opposition to this measure. Comments were received from a representative of the Legal Aid Society of Hawaii (LASH) and the Hawaii Justice Foundation (HJF) requesting that the bill be amended to incorporate an alternate welfare reform bill being developed through negotiations among the DHS, members of the Legislature, and poverty community advocates.

While your Committee is fully cognizant of the State's fiscal constraints, it finds that permitting the Director of DHS to determine the level of assistance payments based upon the total amount appropriated among other relevant factors, rather than on a percentage of the standard of need, does not sufficiently address the needs of Hawaii's less fortunate individuals and families, including children.

Accordingly, your Committee has amended this bill to incorporate the recommendations agreed upon by representatives of the DHS, the LASH, the NASW, the CWC, and The Friends.

Specifically, your Committee has amended this bill by:

- (1) Adding a purpose section;
- (2) Increasing the asset disregard in the calculation of assistance payments to include the value of one motor vehicle in addition to \$5,000 in assets;
- (3) Adding the definition of "exempt household" to section 346-1, Hawaii Revised Statutes, and defining "exempt household" to mean a household in which the adult is:
  - (A) Ill, incapacitated, or disabled;
  - (B) Sixty-five years of age or older;
  - (C) Needed in the household to care for another household member who is ill, incapacitated, or disabled;
  - (D) The parent or other relative of a child not of school age who is personally caring for the child;
  - (E) Non-needy; or
  - (F) A single parent responsible for the care and custody of a child under the age of eight weeks;
- (4) Requiring that the DHS, in determining the needs of an applicant or recipient of public assistance, to disregard twenty per cent of the applicant's or recipient's gross earned income plus \$200 and a percentage of the remaining balance of earned income consistent with federal regulations and requirements instead of permitting the DHS to disregard such additional amounts as required by the Social Security Act (SSA) or other federal acts to receive federal matching funds;
- (5) Establishing the assistance allowance for exempt households at sixty-two and one-half per cent of the standard of need;

- (6) Establishing the assistance allowance for all other households at a level somewhere between fifty and sixty-two and one-half per cent of the standard of need;
- (7) Permitting the DHS the flexibility to reduce the assistance allowance for non-exempt recipient households for the purpose of providing work incentives or services;
- (8) Prohibiting any reduction in the assistance allowance which jeopardizes eligibility for or the receipt of federal matching funds under the SSA; and
- (9) Limiting reductions in the assistance allowance to not more than once per year.

Your Committee believes that the amendments made to the bill will act to permit public assistance recipients to obtain employment and leave the welfare rolls while at the same time protecting Hawaii's less fortunate individuals and families.

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 S.B. No. 2713, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2713, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1110-96 Education on S.B. No. 2022**

The purpose of this bill is to appropriate funds for the Hawaii Language Immersion Program.

Testimony in support of the bill was received from the Department of Education. The Office of Hawaiian Affairs submitted testimony supporting the intent of the bill. Several concerned individuals submitted comments on the measure.

After carefully considering the merits of the bill and the testimonies received, your Committee has amended the measure by:

- (1) Requiring the Department of Education to establish Hawaiian Language Immersion Programs in Waimea and Kona on the Big Island and Waimea Canyon on Kauai, subject to the availability of qualified teachers and funding; and
- (2) Appropriating funds for staffing, equipment, and supplies for the Hawaiian Language Immersion Programs:
  - (A) At Anuenue School on Oahu;
  - (B) At Nawahiokalaniopuu School and in Waimea and Kona on the Big Island; and
  - (C) In Waimea Canyon on Kauai.

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 S.B. No. 2022, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2022, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Takamine, Takumi and Yonamine.

**SCRep. 1111-96 Education on S.B. No. 2208**

The purpose of this bill is to accelerate the completion of public school construction projects by authorizing the Department of Accounting and General Services to establish not more than five project manager positions dedicated to the school construction program.

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

After carefully considering the merits of the measure and the testimonies received, your Committee has amended the bill by:

- (1) Deleting the language that specified the number of project managers for the various school districts; and
- (2) Including language authorizing these project managers to:
  - (A) Facilitate the efficient review of plans by all agencies;
  - (B) Facilitate the timeliness of permit approvals; and
  - (C) Request the expeditious construction of projects by contractors.

Your Committee has concerns about stating the salary of the project managers in the bill. Your Committee believes that it is more appropriate to base the salary of the project managers on an equivalent position that has a similar job description as the project managers. However, because the Committee on Finance has jurisdiction over this issue, your

Committee respectfully requests the Committee on Finance to determine the position title in which the project managers' salaries should be based on, and amend the bill appropriately.

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 S.B. No. 2208, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2208, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Takamine and Yonamine.

**SCRep. 1112-96 Education on S.B. No. 2222**

The purpose of this bill is to provide an option for students who wish to complete their high school education in an alternative education setting, by:

- (1) Requiring the Adult and Community Education Program to accept students from traditional high schools who have been excepted from compulsory attendance or who have been deemed to be more appropriately placed in an alternative education program;
- (2) Requiring the Department of Education (DOE) to transfer funds from the high school to a community school for adults when a student transfers from the high school to the Adult and Community Education Program; and
- (3) Authorizing the assessment of tuition and fees for adult basic education unless the student can prove indigent status.

The DOE submitted testimony in support of the intent of this bill.

Your Committee has amended this bill by:

- (1) Deleting references that allow the assessment of tuition for adult basic education; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2222, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2222, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takai, Takamine, Yonamine and Halford.

**SCRep. 1113-96 Education on S.B. No. 2380**

The purpose of this bill is to provide that school attendance for children age sixteen or older will not be compulsory if the child, the parent or guardian, and the school principal agree in writing to excuse the child from attending school.

Testimony in support of this bill was received from the Hawaii State Teachers Association and several individuals. The Department of Education (DOE) and the Board of Education submitted testimony in support of the intent of this measure. Comments on this bill were received from the Office of Youth Services, the City and County of Honolulu Police Department, and several individuals.

Your Committee has amended this bill by:

- (1) Specifying that school attendance for a child age sixteen years or older shall not be compulsory provided that:
  - (A) The school principal has determined that the child's continued school attendance is disruptive to other students, unproductive for the child, or impossible to enforce;
  - (B) The child, the parent or guardian, the school principal, and appropriate agencies agree in writing on an alternative program that may include adult or community education or full-time employment; and
  - (C) The child's attendance in school may be excused for up to one year at a time and may be extended up to an additional year;
- (2) Requiring the DOE, the Department of Health, and the Department of Human Services, with the assistance of the Legislative Reference Bureau, to collaborate to:
  - (A) Assess existing alternative learning programs;
  - (B) Evaluate the effectiveness of the compulsory law and its exemptions; and
  - (C) Develop a plan for the implementation of the new exemption pursuant to this bill; 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 S.B. No. 2380, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2380, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takai, Takamine, Yonamine and Halford.

**SCRep. 1114-96 Education on S.B. No. 2328**

The purpose of this bill is to clarify that the Department of Education's (DOE) Annual Educational Assessment and Accountability Status Reports include expenditures by location and function.

The Hawaii State Teachers Association submitted testimony in favor of this measure. The DOE submitted testimony in opposition to this bill, stating that while it supports the bill's intent to provide for fiscal accountability, that intent is already being met under existing statute and would require both the DOE and the Auditor to report the same information about the DOE's financial operations to the Legislature.

Upon careful consideration, your Committee has determined that requiring the DOE to annually report its expenditures on the basis of location and function will greatly enhance the accountability of the DOE to the Legislature and to the public.

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 S.B. No. 2328, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Morihara, Takamine, Takumi and Yonamine.

**SCRep. 1115-96 Education on S.B. No. 2500**

The purpose of this bill is to ensure a safe school environment by:

- (1) Establishing a zero tolerance policy to automatically exclude from public schools any student who possesses any dangerous weapon while attending public school; and
- (2) Requiring that the student comply with the compulsory school attendance law, within the existing discretionary authority provided to the Superintendent to provide alternative education for such students.

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

Your Committee respectfully requests the House Judiciary Committee to consider adding language to provide immunity from any civil or criminal liability to anyone who in good faith makes a report pursuant to chapter 298, Hawaii Revised Statutes.

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

- (1) Establishing a zero tolerance policy that allows exclusion from public schools for a period of up to one year, those students who possess intoxicating liquor or illicit drugs while attending public school;
- (2) Providing follow-up services for suspected drug users by requiring the school principal, upon verification of reported drug use by a student, to notify the student's parent or guardian that the student may have violated a provision of the Board of Education's Student Code of Conduct and that drug testing or medical advice is recommended;
- (3) Requiring that the entire process of intervention and follow-up treatment be undertaken in the strictest confidence;
- (4) Requiring the Departments of Education, Health, and Human Services to work collaboratively to incorporate the identification of signs and symptoms of student drug use into their in-service training program for school personnel;
- (5) Requiring the Departments of Education, Health, and Human Services to develop a plan for a comprehensive school-based, interagency approach to provide testing and appropriate follow-up services for parents and children who receive positive test results, and drug rehabilitation or counseling for identified drug-using students;
- (6) Requiring the Department of Education to submit annual reports to the Legislature describing the status of the plan no later than twenty days prior to the convening of the Regular Sessions of 1997 and 1998, and a final report in 1999; and
- (7) Providing that this Act take effect on July 1, 1997; except that the Departments of Education, Health, and Human Services may develop their plan upon approval.

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 S.B. No. 2500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2500, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takai, Takamine, Yonamine and Halford.

**SCRep. 1116-96 Education on S.B. No. 2543**

The purpose of this bill is to assist students in making the transition from adolescence to adulthood and merging their academic and vocational curriculum with career choice exploration by transferring the School-To-Work Transition Program from the Department of Labor and Industrial Relations to the Department of Education.

Supportive testimony was received from the Hawaii State Teachers Association, the Department of Labor and Industrial Relations, the Joint Apprenticeship Committee for the Electrical Industry, the Joint Apprenticeship Training Committee of the Glaziers and Glassworkers Industry, the principal of Waialua High and Intermediate School, the principal of Pahoa High and Intermediate School, the principal of Konawaena High and Intermediate School, the principal of Waipahu High School, the principal of Waianae High School, Farrington High School, and several concerned individuals. The Department of Education submitted testimony in support of the intent of this measure.

Your Committee understands that the funds appropriated in the General Appropriations Act of 1995 for this program will also be transferred from the Department of Labor and Industrial Relations to the Department of Education.

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

- (1) Requiring the Board of Education to adopt standards and criteria for School-to-Work Transition Programs based on current national standards and the needs of Hawaii's children;
- (2) Requiring that the Board of Education develop criteria that include:
  - (a) Specific statewide goals for School-to-Work Transition Programs, including but not limited to outcomes expected of students who have participated in the program;
  - (b) Measurements and assessments of academic and vocational outcomes;
  - (c) Standards for curriculum, activities, facilities, and teacher training for School-to-Work Transition Programs;
  - (d) Methods and materials designed to involve and educate parents and guardians in the School-to-Work Transition Program;
  - (e) Costs for delivery of School-to-Work Transition Programs;
  - (f) Assessment of training and certification capacity of teachers; and
  - (g) A timetable and implementation schedule to be submitted to the Governor and the Legislature;
- (3) Requiring the Board of Education to submit a report on its progress in developing standards and criteria for the School-to-Work Transition Program to the Legislature no later than twenty days prior to the convening of the 1997 Regular Session; and
- (4) 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 S.B. No. 2543, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2543, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Morihara, Takamine, Takumi and Yonamine.

**SCRep. 1117-96 Education on S.B. No. 2769**

The purpose of this bill is to provide emergency appropriations from the School Facilities Special Fund (Fund) by:

- (1) Increasing the Fund appropriation ceiling for the Use of Facilities Program by \$600,000 for fiscal year 1995-1996; and
- (2) Authorizing the use by schools of these funds to cover necessary electricity costs.

The Department of Education submitted testimony concurring with the intent of the measure.

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

- (1) Removing the provision authorizing the use of the funds for electricity costs; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2769, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2769, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Morihara, Takamine, Takumi and Yonamine.

**SCRep. 1118-96 Education on S.B. No. 2770**

The purpose of this bill is to prevent the reduction or discontinuance of educational services to students due to the lack of electricity in the schools.

This bill makes an unspecified, emergency appropriation to the Department of Education (DOE) for fiscal year 1995-1996 for school electricity payments.

The DOE and the Hawaii State Teachers Association testified in support of this bill.

Your Committee has amended this bill by deleting the substance, and inserting therefor, the substance of H.B. No. 3439, H.D. 1. Your Committee notes that H.B. No. 3439, H.D. 1, passed out of the House of Representatives earlier this session after public hearings before this Committee and the Committee on Finance.

As amended, this bill appropriates \$1,284,156 for school electricity payments.

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 S.B. No. 2770, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2770, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Morihara, Takamine, Takumi and Yonamine.

**SCRep. 1119-96 Education on S.B. No. 3267**

The purpose of this bill is to request the student conference committee to suspend the annual conference of students for 1997 and convene a student governance summit to review the organizational structure and roles and responsibilities of the student conference committee and the individual school councils.

The Department of Education and the student representative from the Board 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 S.B. No. 3267, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Morihara, Takamine, Takumi and Yonamine.

**SCRep. 1120-96 Education on S.B. No. 3011**

The purpose of this bill is to allow the Housing Finance and Development Corporation, in consultation with the Departments of Accounting and General Services and Education, to enter into development agreements with private developers for the construction of school facilities within the villages of Kapolei.

Testimony in support of this measure was submitted by the Department of Education. The Housing Finance and Development Corporation and a member of the public supported the intent of this bill.

Your Committee has amended the bill by authorizing the Housing Finance and Development Corporation, subject to the availability of funds and in consultation with the Departments of Accounting and General Services, Education, and Health on the issue of the proximity of schools to surrounding environmental hazards, to enter into development agreements with private developers.

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 S.B. No. 3011, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 3011, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takai, Takamine, Yonamine and Halford.

**SCRep. 1121-96 Education on S.B. No. 2765**

The purpose of this bill is to allow schools to charge fees for intersession programs by setting forth the distinction between "summer school" and year-round education "intersession" programs.

Specifically this bill:

- (1) Changes the name of the Special Summer School Fund to the Special Summer School and Intersession Fund;
- (2) Requires all expenditures for the operation of public summer schools and intersession programs to be made from Special Summer School and Intersession Fund;
- (3) Prohibits transfers from the Special Summer School and Intersession Fund for central services expenses; and
- (4) Exempts the Special Summer School and Intersession Fund from reimbursements to the Department of Education (DOE) for administrative expenses incurred by the DOE for operations of summer school and intersession programs.

The DOE and the Hawaii State Teachers Association submitted testimony in support of this measure.

Your Committee has amended this bill by 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 S.B. No. 2765, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2765, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Morihara, Takamine, Takumi and Yonamine.

**SCRep. 1122-96 Education on S.B. No. 3021**

The purpose of this bill is to repeal obsolete laws contained in the Education Title of the Hawaii Revised Statutes.

Supportive testimony was received from the Department of Education and a concerned individual. Concerned individuals submitted testimony in opposition to this measure with respect to repealing the School Advisory Councils.

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

- (1) Retaining the School Advisory Council provisions as currently set forth in the Hawaii Revised Statutes; 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 S.B. No. 3021, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3021, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Lee, Morihara, Takamine, Takumi and Yonamine.

**SCRep. 1123-96 Labor and Public Employment on S.B. No. 1234**

The purpose of this bill, as received, is to allow the establishment of tax-exempt medical care savings accounts by employers as a self-insurance medical plan for employees.

Testimony in support of the bill was provided by the National Federation of Independent Business, the Hawaii Optometric Association, the Hawaii Medical Association, the Hawaii Federation of Physicians and Dentists, and the Hawaii Nurses' Association. Comments concerning this measure were provided by the Tax Foundation of Hawaii, the Chamber of Commerce of Hawaii, the Hawaii Bankers Association, Kaiser Permanente, the Hawaii Medical Service Association, the Department of Commerce and Consumer Affairs, and a concerned doctor.

Testimony in opposition of the bill was submitted by the Hawaii Nurses' Association, ILWU 142, the Hawaii State AFL-CIO, the Department of Labor and Industrial Relations, and the Department of Taxation.

While this bill is an innovative alternative to financing health care, there were numerous concerns including the effect upon prepaid health care, the amount of the deductible and how the initial deductible would be paid, the amount of the employer's contribution, and the eventual distribution of the funds.

Your Committee finds that the high cost for employers in providing medical benefits is a valid concern. Creating medical savings accounts will reduce the costs of doing business for employers and encourage employees to minimize health care expenses. Since there were numerous questions encountered with the Senate version's provisions for medical savings accounts, your Committee finds that H.B. No. 3935, H.D. 1, provides a stronger vehicle for continuing discussion concerning these accounts.

Therefore, your Committee has amended this bill by inserting the provisions for individual medical accounts from H.B. 3935, H.D.1, that provides the following major substantive amendments to the Senate version:

- (1) The House version for the medical savings account narrows its application to work-related injuries; the Senate version provides that the moneys would not be used to pay medical expenses that would otherwise be covered by workers' compensation insurance, automobile, or other health coverages;
- (2) The House version is more specific concerning the amounts to be contributed by the employer by establishing a paper credit of \$3,000 toward the employee's account on the employer's books, which would be reduced as the payments are actually made into the account; the Senate version is unclear as to how the account would be funded;
- (3) The House version provides that the employee would be entitled to receive five percent of the moneys in the account when the account reaches \$12,000; the Senate version does not contain such a provision;
- (4) The House version provides for eventual distribution of the account and the employee would receive a partial payment at age 60, and a full payout at age 70; while the Senate version provides only for withdrawal and distribution upon death;
- (5) The House version provides that the amount of the employer's contributions would be determined by the Insurance Commissioner in consultation with an actuary and a mechanism to replenish the account balance; the Senate version does not indicate how this is determined; and
- (6) The House version provides that the medical bills would go to the employee and employer, not the financial institution holding the account; in the Senate version, documentation would be provided to the account administrator.

Beginning cost containment through restructuring the payment of workers' compensations costs would be the initial step in the reducing health care expenses for employers.

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 S.B. No. 1234, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1234, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1124-96      Tourism on S.B. No. 3200**

The purpose of this bill is to establish a convention center district joint advisory council to address issues arising out of the convention center development and its impacts on the surrounding community, and to amend the Hawaii Revised Statutes to require the Convention Center Authority to contract a single organization to handle bookings for accommodations, provided that no single provider of accommodations has more than 20 percent of convention attendees.

Your Committee received testimony on this bill as follows:

- (1) City and County of Honolulu Office of Waikiki Development, McCully/Moiliili Neighborhood Board No. 8, and the Association of Apartment Owners of The 2100 Condominium, in support; and
- (2) The Convention Center Authority and the Hawaii Hotel Association in comment.

Your Committee finds that the Convention Center Authority, in anticipation of the convention center's 1998 opening date, should take measures to reduce the impact of the center on the surrounding communities. An advisory council, as recommended by the governor in his acceptance letter for the Final Environmental Impact Statement, would help to coordinate the authority and other relevant government agencies and community groups in taking action to address issues arising out of the convention center development.

Your Committee revised the bill by:

- (1) Removing the provisions relating to a service provider handling arrangements for accommodations for transient accommodations;
- (2) Changing the name of the advisory body to "Convention Center District Joint Advisory Council";
- (3) Establishing the advisory council within the Convention Center Authority, rather than the Department of Business, Economic Development and Tourism;
- (4) Changing the composition of the advisory council to consist of the following members:
  - (a) From the state: the Chairperson of the Convention Center Authority; the Executive Director of the Convention Center Authority; the Director of Business, Economic Development, and Tourism; the Director of Transportation; the Chairperson of the Board of Land and Natural Resources; the Director of Health; the Director of Human Services; the Director of Environmental Quality Control; and the Director of the Office of State Planning, or their respective designees; and
  - (b) From the City and County of Honolulu: the City and County of Honolulu Chief Planning Officer; the Director of Transportation Services; the Director of Land Utilization; the Director of Housing and Community Development; the Director and Chief Engineer of Public Works and the Director of the Office of Waikiki Development, or their respective designees;

- (c) From the community: the Chairperson of Neighborhood Board 8, the Chairperson of Neighborhood Board 9 and the Chairperson of Neighborhood Board 11;
- (5) Specifying that the Chairperson of the Convention Center Authority shall serve as chairperson of the council;
- (6) Adding a section appropriating an unspecified amount to the Department of Business, Economic Development, and Tourism for the administration of the advisory council by the Convention Center Authority;
- (7) Setting the effective date as July 1, 1996; and
- (8) 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 S.B. No. 3200, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3200, S.D. 2, H.D. 1, and be referred to the Committee on Intergovernmental Relations and International Affairs.

Signed by all members of the Committee except Representatives Chang and Takai.

**SCRep. 1125-96 Economic Development and Business Concerns on H.R. No. 49**

The purpose of this resolution is to strengthen Asian-Pacific ties, by:

- (1) Urging the Governor and the Department of Business, Economic Development, and Tourism (DBEDT) to establish stronger relationships with Asia and the Pacific Rim nations, including China, Hong Kong, Taiwan, Korea, Singapore, Japan, Thailand, Malaysia, the Philippines, and Indonesia through educational, cultural, and economic activities; and
- (2) Requesting DBEDT to adopt a policy of developing closer relations with Asia as a foundation for future economic planning for the State.

Testimony in support of the intent of this resolution was received from DBEDT. A private citizen submitted testimony in support of this measure.

Upon consideration, your Committee has amended this resolution by:

- (1) Requesting the Director of Business, Economic Development, and Tourism to submit a report, rather than findings and recommendations, to the Legislature prior to the 1997 Regular Session;
- (2) Clarifying that the report is to be submitted to the Legislature no later than twenty days before the convening of the 1997 Regular Session; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity 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 concurs with the intent and purpose of H.R. No. 49, as amended herein, and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs, in the form attached hereto as H.R. No. 49, H.D. 1.

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

**SCRep. 1126-96 Economic Development and Business Concerns on H.C.R. No. 39**

The purpose of this concurrent resolution is to strengthen Asian-Pacific ties, by:

- (1) Urging the Governor and the Department of Business, Economic Development, and Tourism (DBEDT) to establish stronger relationships with Asia and the Pacific Rim nations, including China, Hong Kong, Taiwan, Korea, Singapore, Japan, Thailand, Malaysia, the Philippines, and Indonesia through educational, cultural, and economic activities; and
- (2) Requesting DBEDT to adopt a policy of developing closer relations with Asia as a foundation for future economic planning for the State.

Testimony in support of the intent of this concurrent resolution was received from DBEDT. A private citizen submitted testimony in support of this measure.

Upon consideration, your Committee has amended this concurrent resolution by:

- (1) Requesting the Director of Business, Economic Development, and Tourism to submit a report, rather than findings and recommendations, to the Legislature prior to the 1997 Regular Session;
- (2) Clarifying that the report is to be submitted to the Legislature no later than twenty days before the convening of the 1997 Regular Session; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity 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 concurs with the intent and purpose of H.C.R. No. 39, as amended herein, and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs, in the form attached hereto as H.C.R. No. 39, H.D. 1.

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

**SCRep. 1127-96 Labor and Public Employment on H.C.R. No. 33**

The purpose of this concurrent resolution is to obtain legislative approval of compensation plans for civil service employees of the State, the Judiciary, and the counties.

The Department of Human Resources Development and the Hawaii Government Employees Association submitted testimony in support of the bill.

Your Committee finds that:

- (1) The Conference of Personnel Directors has reviewed compensations plans and submitted their recommendations to the Public Employees Compensation Appeals Board (PECAB);
- (2) PECAB has completed hearings on pricing and repricing appeals and prepared its written findings in its "Report of Findings on Adjustments to the Compensation Plans", dated January 3, 1996; and
- (3) PECAB's report, the compensation plans, and the costs have been transmitted to the Legislature;

in compliance with the biennial review process.

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 concurs with the intent and purpose of H.C.R. No. 33 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

**SCRep. 1128-96 Tourism on H.R. No. 93**

The purpose of this resolution is to request the University of Hawaii to develop a five-year action plan to promote its tourism expertise as part of an education export initiative with recommendations including:

- (1) Identifying selected income-generating programs, functions, services, and activities of the School of Travel Industry Management which can be promoted and exported abroad;
- (2) Development of partnerships with other Hawaii education, training, research, and industry organizations to maximize promotion of Hawaii's tourism expertise;
- (3) Development of mechanisms to allow research and training programs to retain a greater share of administrative and indirect costs related to grants and contracts generated by the program; and
- (4) Implementation of joint marketing efforts with the assistance of the Department of Business, Economic Development, and Tourism for the export of its tourism expertise.

In addition, the President of the University of Hawaii, after consultation with the Director of Business, Economic Development, and Tourism, is requested to report findings and recommendations along with an action plan to the Legislature twenty days before the convening of the Regular Session of 1997.

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

Your Committee finds that many of the University of Hawaii's professional programs have the potential to produce income through the utilization of the educational and research expertise of personnel in the university system, increasing the university's financial self-sufficiency. Such use of university resources would also enhance Hawaii's reputation as an education, training research and technical assistance center of the Asia/Pacific region.

The travel industry has great demand for research, education and training services available at the University of Hawaii. Designation as an International Tourism Education and Training Center by the World Tourism Organization, an agency of the United Nations, gives the UH School of Travel Industry Management a special advantage in the growing market for tourism information.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 93 and recommends that it be referred to the Committee on Higher Education and the Arts.

Signed by all members of the Committee except Representatives Chang and Lee.

**SCRep. 1129-96 Tourism on H.C.R. No. 88**

The purpose of this concurrent resolution is to request the University of Hawaii to develop a five-year action plan to promote its tourism expertise as part of an education export initiative with recommendations including:

- (1) Identifying selected income-generating programs, functions, services, and activities of the School of Travel Industry Management which can be promoted and exported abroad;
- (2) Development of partnerships with other Hawaii education, training, research, and industry organizations to maximize promotion of Hawaii's tourism expertise;
- (3) Development of mechanisms to allow research and training programs to retain a greater share of administrative and indirect costs related to grants and contracts generated by the program; and
- (4) Implementation of joint marketing efforts with the assistance of the Department of Business, Economic Development, and Tourism for the export of its tourism expertise.

In addition, the President of the University of Hawaii, after consultation with the Director of Business, Economic Development, and Tourism, is requested to report findings and recommendations along with an action plan to the Legislature twenty days before the convening of the Regular Session of 1997.

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

Your Committee finds that many of the University of Hawaii's professional programs have the potential to produce income through the utilization of the educational and research expertise of personnel in the university system, increasing the university's financial self-sufficiency. Such use of university resources would also enhance Hawaii's reputation as an education, training research and technical assistance center of the Asia/Pacific region.

The travel industry has great demand for research, education and training services available at the University of Hawaii. Designation as an International Tourism Education and Training Center by the World Tourism Organization, an agency of the United Nations, gives the UH School of Travel Industry Management a special advantage in the growing market for tourism information.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 88 and recommends that it be referred to the Committee on Higher Education and the Arts.

Signed by all members of the Committee except Representatives Chang and Lee.

**SCRep. 1130-96 Hawaiian Affairs and Housing on H.R. No. 110**

The purpose of this resolution is to request the University of Hawaii, with the cooperation of the Department of Education, to establish a task force to review and analyze means by which the appropriate branches of the University of Hawaii can contribute to the expansion and improvement of the Hawaiian Language Immersion Program.

Supportive testimony was received from the Office of Hawaiian Affairs. The Department of Education submitted testimony concurring with the intent of this resolution.

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 concurs with the intent and purpose of H.R. No. 110 and recommends that it be referred to the Committees on Education and Higher Education and the Arts.

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

**SCRep. 1131-96 Hawaiian Affairs and Housing on H.C.R. No. 105**

The purpose of this concurrent resolution is to request the University of Hawaii, with the cooperation of the Department of Education, to establish a task force to review and analyze means by which the appropriate branches of the University of Hawaii can contribute to the expansion and improvement of the Hawaiian Language Immersion Program.

Supportive testimony was received from the Office of Hawaiian Affairs. The Department of Education submitted testimony concurring with the intent of this concurrent resolution.

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 concurs with the intent and purpose of H.C.R. No. 105 and recommends that it be referred to the Committees on Education and Higher Education and the Arts.

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

**SCRep. 1132-96 Hawaiian Affairs and Housing on H.R. No. 134**

The purpose of this resolution is to address the issue of overrepresentation of native Hawaiians in the criminal justice system.

This measure requests public and private entities to implement the action plan prepared by a consortium of public and private organizations in response to H.C.R. No. 223 from the Regular Session of 1995.

The Department of Health, the Department of Human Services, the Department of Public Safety, and the Judiciary supported the intent of this measure but expressed concerns about funding the new programs due to severe budget cutbacks.

Although implementation of the thirteen action plan objectives may cost \$12,000,000 per year, your Committee believes that the various entities could begin performing the necessary internal planning necessary to implement the action plan objectives.

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 concurs with the intent and purpose of H.R. No. 134 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 1133-96 Hawaiian Affairs and Housing on H.C.R. No. 133**

The purpose of this concurrent resolution is to address the issue of overrepresentation of native Hawaiians in the criminal justice system.

This measure requests public and private entities to implement the action plan prepared by a consortium of public and private organizations in response to H.C.R. No. 223 from the Regular Session of 1995.

The Department of Health, the Department of Human Services, the Department of Public Safety, and the Judiciary supported the intent of this measure but expressed concerns about funding the the new programs due to severe budget cutbacks.

Although implementation of the thirteen action plan objectives may cost \$12,000,000 per year, your Committee believes that the various entities could begin performing the necessary internal planning necessary to implement the action plan objectives.

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 concurs with the intent and purpose of H.C.R. No. 133 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 1134-96 Hawaiian Affairs and Housing on H.R. No. 140**

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to transfer jurisdiction of the Maunalaha residential properties to the Office of Hawaiian Affairs (OHA).

Testimony in support of this measure was submitted by DLNR, OHA, the Maunalaha Valley Community Association, and a Maunalaha resident.

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 concurs with the intent and purpose of H.R. No. 140 and recommends that it be referred to the Committee on Water and Land Use Planning.

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

**SCRep. 1135-96 Hawaiian Affairs and Housing on H.C.R. No. 139**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to transfer jurisdiction of the Maunalaha residential properties to the Office of Hawaiian Affairs (OHA).

Testimony in support of this measure was submitted by DLNR, OHA, the Maunalaha Valley Community Association, and a Maunalaha resident.

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 concurs with the intent and purpose of H.C.R. No. 139 and recommends that it be referred to the Committee on Water and Land Use Planning.

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

**SCRep. 1136-96 Hawaiian Affairs and Housing on H.R. No. 156**

The purpose of this resolution is to urge the Department of Land and Natural Resources (DLNR) to begin the process of acquiring the Keakealaniwahine residence site in order to restore the Holualoa Chiefly Residences complex.

Testimony in support of this resolution was submitted by the Association of Hawaiian Civic Clubs and a concerned individual. DLNR also offered comments.

If funds could be made available for the acquisition of the Keakealaniwahine site, your Committee finds that the integration of the Keakealaniwahine residence into the Keolonahihi State Historical Park will restore the major components of the original Holualoa Chiefly Residences. As such, a major historical site representing a foundation of culture and religion will have been restored.

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 concurs with the intent and purpose of H.R. No. 156 and recommends that it be referred to the Committee on Water and Land Use Planning.

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

**SCRep. 1137-96 Hawaiian Affairs and Housing on H.C.R. No. 154**

The purpose of this concurrent resolution is to urge the Department of Land and Natural Resources (DLNR) to begin the process of acquiring the Keakealaniwahine residence site in order to restore the Holualoa Chiefly Residences complex.

Testimony in support of the concurrent resolution was submitted by the Association of Hawaiian Civic Clubs and an individual. DLNR also offered commends.

If funds could be made available for the acquisition of the Keakealaniwahine site, your Committee finds that the integration of the Keakealaniwahine residence into the Keolonahihi State Historical Park will restore the major components of the original Holualoa Chiefly Residences. As such, a major historical site representing a foundation of culture and religion will have been restored.

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 concurs with the intent and purpose of H.C.R. No. 154 and recommends that it be referred to the Committee on Water and Land Use Planning.

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

**SCRep. 1138-96 Hawaiian Affairs and Housing on H.R. No. 173**

The purpose of this resolution is to raise awareness and respect for outrigger canoeing and surfing by requesting the International Olympic Committee to recognize them as Olympic sports and to initiate the process of designating them as such.

Outrigger canoeing and surfing are highly-skilled sports with long-standing reputations and traditions. They instill the ancient Hawaiian values of lokahi (harmony), laulima (cooperation), kokua (help), and alu like (striving together). Not only are they a part of Hawaii's history but they have become internationally-recognized as has Hawaii as their birthplace. Both sports not only continue a proud heritage, they also help promote the state as a special place of beauty and history.

The Office of Hawaiian Affairs testified 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 concurs with the intent and purpose of H.R. No. 173 and recommends that it be referred to the Committee on Tourism.

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

**SCRep. 1139-96 Hawaiian Affairs and Housing on H.C.R. No. 171**

The purpose of this concurrent resolution is to raise awareness and respect for outrigger canoeing and surfing by requesting the International Olympic Committee to recognize them as Olympic sports and to initiate the process of designating them as such.

Outrigger canoeing and surfing are highly-skilled sports with long-standing reputations and traditions. They instill the ancient Hawaiian values of lokahi (harmony), laulima (cooperation), kokua (help), and alu like (striving together). Not only are they a part of Hawaii's history but they have become internationally-recognized as has Hawaii as their birthplace. Both sports not only continue a proud heritage, they also help promote the state as a special place of beauty and history.

The Office of Hawaiian Affairs testified 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 concurs with the intent and purpose of H.C.R. No. 171 and recommends that it be referred to the Committee on Tourism.

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

**SCRep. 1140-96 Hawaiian Affairs and Housing on H.R. No. 188**

The purpose of this resolution is to request the Legislative Reference Bureau to study the feasibility of requiring the preparation of a native Hawaiian cultural impact statement in connection with development activity that requires a permit or approval from a state agency.

Testifying in support of the resolution were Protect Kohanaiki Ohana, Hui Heenalua o Kona, and the Association of Hawaiian Civic Clubs.

Your Committee affirms that all practical efforts must be made to preserve the Hawaiian culture. Since land is so important to the Hawaiian culture, studies of the cultural impacts of development activities are relevant and appropriate.

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 concurs with the intent and purpose of H.R. No. 188 and recommends that it be referred to the Committee on Water and Land Use Planning.

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

**SCRep. 1141-96 Hawaiian Affairs and Housing on H.C.R. No. 188**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study the feasibility of requiring the preparation of a native Hawaiian cultural impact statement in connection with development activity that requires a permit or approval from a state agency.

Testifying in support of the concurrent resolution were Protect Kohanaiki Ohana, Hui Heenalu o Kona, and the Association of Hawaiian Civic Clubs.

Your Committee affirms that all practical efforts must be made to preserve the Hawaiian culture. Since land is so important to the Hawaiian culture, studies of the cultural impacts of development activities are relevant and appropriate.

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 concurs with the intent and purpose of H.C.R. No. 188 and recommends that it be referred to the Committee on Water and Land Use Planning.

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

**SCRep. 1142-96 Hawaiian Affairs and Housing on H.R. No. 189**

The purpose of this resolution is to study the feasibility of establishing a Native Hawaiian Office of Elections.

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

To ensure fair and unbiased elections, there is a need to establish a Native Hawaiian Office of Elections to monitor and coordinate the elections of any boards that manage Hawaiian 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 concurs with the intent and purpose of H.R. No. 189 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 1143-96 Hawaiian Affairs and Housing on H.C.R. No. 189**

The purpose of this concurrent resolution is to study the feasibility of establishing a Native Hawaiian Office of Elections.

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

To ensure fair and unbiased elections, there is a need to establish a Native Hawaiian Office of Elections to monitor and coordinate the elections of any boards that manage Hawaiian 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 concurs with the intent and purpose of H.C.R. No. 189 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 1144-96 Hawaiian Affairs and Housing, Health, and Human Services on H.R. No. 160**

The purpose of this resolution is to have the Department of Health (DOH) and the Department of Human Services review their current priorities and redirect their resources towards primary prevention activities, particularly in relation to improving the health of Hawaiians.

The DOH presented testimony in support of the intent of the measure and stated that it had suffered major cuts and needed to evaluate its overall budget by a number of criteria in order to fulfill its mandates. Papa Ola Lokahi and a concerned individual provided testimony in support of the resolution.

Your Committees find that primary preventive measures avert the onset of illness and disease. Often the costs versus benefits of these measures are not immediately discernible in areas such as nutrition and dental health, in which programs have been reduced or cut and greatly impact Hawaiian health status. Over the long-term, these measures reap substantial benefits and reinstatement of preventive health programs should be encouraged.

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 concur with the intent and purpose of H.R. No. 160 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Hamakawa and Stegmaier.

**SCRep. 1145-96 Hawaiian Affairs and Housing, Health, and Human Services on H.C.R. No. 159**

The purpose of this concurrent resolution is to have the Department of Health (DOH) and the Department of Human Services review their current priorities and redirect their resources towards primary prevention activities, particularly in relation to improving the health of Hawaiians.

The DOH presented testimony in support of the intent of the measure and stated that it had suffered major cuts and needed to evaluate its overall budget by a number of criteria in order to fulfill its mandates. Papa Ola Lokahi and a concerned individual provided testimony in support of the resolution.

Your Committees find that primary preventive measures avert the onset of illness and disease. Often the costs versus benefits of these measures are not immediately discernible in areas such as nutrition and dental health, in which programs have been reduced or cut and greatly impact Hawaiian health status. Over the long-term, these measures reap substantial benefits and reinstatement of preventive health programs should be encouraged.

As affirmed by the records of votes of members of your Committees on Hawaiian Affairs and Housing, Health, and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. 159 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Hamakawa and Stegmaier.

**SCRep. 1146-96 Water and Land Use Planning on H.R. No. 108**

The purpose of this resolution is to accept the report of the Barbers Point Museum Task Force as a source document for planning purposes.

Testimony in support of this measure was submitted by the Bishop Museum, the Pacific War Museum, the Pacific Aerospace Museum, and a private citizen. Testimony was also submitted by the Department of Land and Natural Resources.

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 concurs with the intent and purpose of H.R. No. 108 and recommends that it be referred to the Committee on Higher Education and the Arts.

Signed by all members of the Committee except Representatives Kanoho, M. Oshiro and Thielen.

**SCRep. 1147-96 Water and Land Use Planning on H.C.R. No. 103**

The purpose of this concurrent resolution is to accept the report of the Barbers Point Museum Task Force as a source document for planning purposes.

Testimony in support of this measure was submitted by the Bishop Museum, the Pacific War Museum, the Pacific Aerospace Museum, and a private citizen. Testimony was also submitted by the Department of Land and Natural Resources.

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 concurs with the intent and purpose of H.C.R. No. 103 and recommends that it be referred to the Committee on Higher Education and the Arts.

Signed by all members of the Committee except Representatives Kanoho, M. Oshiro and Thielen.

**SCRep. 1148-96 Human Services on H.C.R. No. 319**

The purpose of this measure is to request a study to determine the most effective administrative placement of the Executive Office on Aging.

The Department of Health, the Hemophilia Foundation of Hawaii, the Executive Office on Aging for the City and County of Honolulu, and the Maui County Office on Aging submitted testimony in support of this measure. The Executive Office on Aging, State of Hawaii, submitted testimony upon this particular measure. The Assisted Living Task Force and the Catholic Charities of the Diocese of Honolulu submitted testimony in opposition to this measure.

Your Committee finds that this concurrent resolution is to request that the Legislative Reference Bureau conduct a study on:

- (1) The appropriate administrative placement of the Executive Office on Aging;
- (2) The appropriate function of the Governor in relation to elderly affairs if the Executive Office on Aging is not there;
- (3) A review of other states plans and experiences;
- (4) A review of federal laws; and

- (5) Preservation of positive features of the current structures.

Your Committee has amended this concurrent resolution by:

- (1) Asking the Legislative Reference Bureau to study the appropriate and permanent administrative placement of the Executive Office on Aging;
- (2) Deleting "be it further resolved that before the study is completed, the Legislature should not proceed to relocate the Executive Office on Aging; 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 319, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 319, H.D. 1.

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

**SCRep. 1149-96 Tourism on H.R. No. 73**

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to develop an overall health tourism strategy for the State of Hawaii.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development and Tourism, and Kaiser Permanente.

Your Committee finds that Hawaii's reputation for excellent healthcare places it in an advantageous position for entering the burgeoning health-related tourism field and that a coordinated effort involving healthcare providers, visitor industry promotion agencies and other groups will reap tremendous benefits if implemented in a timely and decisive manner.

Your Committee revised this resolution by:

- (1) Adding a cost-benefit and feasibility analysis of health tourism to the items for inclusion in the health tourism strategy to be developed by the Department of Business, Economic Development, and Tourism; 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 concurs with the intent and purpose of H.R. No. 73, as amended herein, and recommends that it be referred to the Committee on Health, in the form attached hereto as H.R. No. 73, H.D. 1.

Signed by all members of the Committee except Representatives Chang and Lee.

**SCRep. 1150-96 Tourism on H.C.R. No. 67**

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to develop an overall health tourism strategy for the State of Hawaii.

Your Committee received testimony in support of this concurrent resolution from the Department of Business, Economic Development and Tourism, and Kaiser Permanente.

Your Committee finds that Hawaii's reputation for excellent healthcare places it in an advantageous position for entering the burgeoning health-related tourism field and that a coordinated effort involving healthcare providers, visitor industry promotion agencies and other groups will reap tremendous benefits if implemented in a timely and decisive manner.

Your Committee revised this concurrent resolution by:

- (1) Adding a cost-benefit and feasibility analysis of health tourism to the items for inclusion in the health tourism strategy to be developed by the Department of Business, Economic Development, and Tourism; 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 concurs with the intent and purpose of H.C.R. No. 67, as amended herein, and recommends that it be referred to the Committee on Health, in the form attached hereto as H.C.R. No. 67, H.D. 1.

Signed by all members of the Committee except Representatives Chang and Lee.

**SCRep. 1151-96 Tourism and Economic Development and Business Concerns and Agriculture on H.R. No. 118**

The purpose of this resolution is to request the Hawaii Visitors Bureau to work with local organizations to promote Hawaii-made products, and to coordinate with the Department of Agriculture and the Department of Business, Economic Development, and Tourism to develop a marketing plan for the promotion of such products.

Your Committees received testimony on this resolution as follows:

- (1) The Department of Business, Economic Development, and Tourism, the Department of Agriculture, the Office of Hawaiian Affairs, the Fashion Industry Association, the Hawaii Food Industry Association, and the Hawaii Food Manufacturers Association in support; and
- (2) The Hawaii Visitors Bureau, in comment.

Your Committees find that this resolution would be better carried out by the Department of Business, Economic Development, and Tourism, which has several existing programs to promote various Hawaii products.

A strong effort by the Department of Business, Economic Development, and Tourism to promote Hawaii products to visitors, who already constitute a considerable proportion of consumers of local food and manufactured goods, will help many local businesses and workers to weather the current lean economic times. Your Committees strongly urge the respective agencies to provide joint funding for product promotions.

Your Committees revised this resolution by:

- (1) Amending the title and contents to request the Department of Business, Economic Development, and Tourism to work with local industries, the Hawaii Visitors Bureau, the Department of Agriculture, and other appropriate agencies, such as the Office of Hawaiian Affairs, to:
  - (a) Showcase Hawaii-made products;
  - (b) Develop a marketing plan to promote Hawaii-made or Hawaii-grown products; and
  - (c) Report its progress and recommendations to the Legislature no later than twenty days before the convening of the Regular Session of 1997; and
- (2) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development and Business Concerns and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 118, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 118, H.D. 1.

Signed by all members of the Committees except Representatives Chang, Lee and Halford.

**SCRep. 1152-96      Tourism and Economic Development and Business Concerns and Agriculture on H.C.R. No. 113**

The purpose of this concurrent resolution is to request the Hawaii Visitors Bureau to work with local organizations to promote Hawaii-made products, and to coordinate with the Department of Agriculture and the Department of Business, Economic Development, and Tourism to develop a marketing plan for the promotion of such products.

Your Committees received testimony on this concurrent resolution as follows:

- (1) The Department of Business, Economic Development, and Tourism, the Department of Agriculture, the Office of Hawaiian Affairs, the Fashion Industry Association, the Hawaii Food Industry Association, and the Hawaii Food Manufacturers Association in support; and
- (2) The Hawaii Visitors Bureau, in comment.

Your Committees find that this concurrent resolution would be better carried out by the Department of Business, Economic Development, and Tourism, which has several existing programs to promote various Hawaii products.

A strong effort by the Department of Business, Economic Development, and Tourism to promote Hawaii products to visitors, who already constitute a considerable proportion of consumers of local food and manufactured goods, will help many local businesses and workers to weather the current lean economic times. Your Committees strongly urge the respective agencies to provide joint funding for product promotions.

Your Committees revised this concurrent resolution by:

- (1) Amending the title and contents to request the Department of Business, Economic Development, and Tourism to work with local industries, the Hawaii Visitors Bureau, the Department of Agriculture, and other appropriate agencies, such as the Office of Hawaiian Affairs, to:
  - (a) Showcase Hawaii-made products;
  - (b) Develop a marketing plan to promote Hawaii-made or Hawaii-grown products; and
  - (c) Report its progress and recommendations to the Legislature no later than twenty days before the convening of the Regular Session of 1997; and
- (2) Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development and Business Concerns and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 113, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 113, H.D. 1.

Signed by all members of the Committees except Representatives Chang, Lee and Halford.

**SCRep. 1153-96 Higher Education and the Arts on H.R. No. 23**

The purpose of this resolution is to request the University of Hawaii (UH) to judiciously determine which of its programs to discontinue, by:

- (1) Using history, natural advantages, and constraints of available resources as benchmarks in determining the fate of its programs; provided that the liberal arts and sciences are reaffirmed as the foundation of the university-programs; and
- (2) Restructuring the programs of the professional schools it wishes to retain.

Comments were submitted by UH, which indicated that this measure will be given due consideration in UH's on-going planning, program review, and budgeting processes.

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 concurs with the intent and purpose of H.R. No. 23 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1154-96 Higher Education and the Arts on H.C.R. No. 22**

The purpose of this concurrent resolution is to request the University of Hawaii (UH) to judiciously determine which of its programs to discontinue, by:

- (1) Using history, natural advantages, and constraints of available resources as benchmarks in determining the fate of its programs; provided that the liberal arts and sciences are reaffirmed as the foundation of the university-programs; and
- (2) Restructuring the programs of the professional schools it wishes to retain.

Comments were submitted by UH, which indicated that this measure will be given due consideration in UH's on-going planning, program review, and budgeting processes.

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 concurs with the intent and purpose of H.C.R. No. 22 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1155-96 Higher Education and the Arts on H.R. No. 99**

The purpose of this resolution is to request that the University of Hawaii develop a plan to make the resources of Hamilton library and other collections available statewide through telecommunications technologies.

The University of Hawaii 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 concurs with the intent and purpose of H.R. No. 99 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1156-96 Higher Education and the Arts on H.C.R. No. 93**

The purpose of this concurrent resolution is to request that the University of Hawaii develop a plan to make the resources of Hamilton library and other collections available statewide through telecommunications technologies.

The University of Hawaii 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 concurs with the intent and purpose of H.C.R. No. 93 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1157-96 Higher Education and the Arts on H.R. No. 100**

The purpose of this resolution is to request the University of Hawaii (UH) to develop a plan to enable its West Oahu campus to meet the higher education needs of potential students through nontraditional means of delivering education services.

UH submitted testimony in support of the measure. According to UH, it is already planning for the use of technology in distance education. In addition, the Board of Regents has adopted recommendations supporting the land exchange for the West Oahu campus, and therefore, supports the planning that must occur to ensure that it best serves leeward and central Oahu.

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 concurs with the intent and purpose of H.R. No. 100 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1158-96 Higher Education and the Arts on H.C.R. No. 94**

The purpose of this concurrent resolution is to request the University of Hawaii (UH) to develop a plan to enable its West Oahu campus to meet the higher education needs of potential students through nontraditional means of delivering education services.

UH submitted testimony in support of the measure. According to UH, it is already planning for the use of technology in distance education. In addition, the Board of Regents has adopted recommendations supporting the land exchange for the West Oahu campus, and therefore, supports the planning that must occur to ensure that it best serves leeward and central Oahu.

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 concurs with the intent and purpose of H.C.R. No. 94 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1159-96 Higher Education and the Arts on H.R. No. 124**

The purpose of this resolution is to request the University of Hawaii Board of Regents to reassess its tuition assistance process to ensure that all qualified students with demonstrated financial need to complete their degree receive financial assistance.

The University of Hawaii submitted testimony on this resolution.

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 concurs with the intent and purpose of H.R. No. 124 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1160-96 Higher Education and the Arts on H.C.R. No. 125**

The purpose of this concurrent resolution is to request the University of Hawaii Board of Regents to reassess its tuition assistance process to ensure that all qualified students with demonstrated financial need to complete their degree receive financial assistance.

The University of Hawaii submitted testimony on this concurrent resolution.

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 concurs with the intent and purpose of H.C.R. No. 125 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1161-96 Higher Education and the Arts on H.R. No. 149**

The purpose of this resolution is to promote the arts in Hawaii by:

- (1) Requesting the State Foundation on Culture and the Arts (SFCA) and the Department of Business, Economic Development, and Tourism (DBEDT) to support the ArCH (Arts Calendar--Hawaii's) Database (ArCH); and
- (2) Requesting the Governor to declare 1997 as the Year of Hawaii's Art and Culture.

Testimony in support of the measure was submitted by the ArCH, Waikiki Gallery and an individual. SFCA submitted testimony in support of the intent of the measure.

Testifying that it is willing to work with the ArCH, DBEDT suggested the inclusion of the Hawaii Visitors Bureau (HVB) in the measure because it has a database that includes culture and the arts events in Hawaii.

Your Committee agrees with the inclusion of the HVB in the measure. In addition, the various counties should also be involved. As such, this measure has been amended by:

- (1) Stating that HVB and the counties can work with ArCH and DBEDT to promote the arts and culture community of Hawaii;
- (2) Requesting HVB and the counties to support ArCH;
- (3) Directing certified copies of the measure be transmitted to the mayor of each county and the President of HVB; and
- (4) Making technical, nonsubstantive revisions for purposes of 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 concurs with the intent and purpose of H.R. No. 149, as amended herein, and recommends that it be referred to the Committee on Tourism, in the form attached hereto as H.R. No. 149, H.D. 1.

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

**SCRep. 1162-96 Higher Education and the Arts on H.C.R. No. 147**

The purpose of this concurrent resolution is to promote the arts in Hawaii by:

- (1) Requesting the State Foundation on Culture and the Arts (SFCA) and the Department of Business, Economic Development, and Tourism (DBEDT) to support the ArCH (Arts Calendar--Hawaii's) Database (ArCH); and
- (2) Requesting the Governor to declare 1997 as the Year of Hawaii's Art and Culture.

Testimony in support of the measure was submitted by the ArCH, Waikiki Gallery and an individual. SFCA submitted testimony in support of the intent of the measure.

Testifying that it is willing to work with the ArCH, DBEDT suggested the inclusion of the Hawaii Visitors Bureau (HVB) in the measure because it has a database that includes culture and the arts events in Hawaii.

Your Committee agrees with the inclusion of the HVB in the measure. In addition, the various counties should also be involved. As such, this measure has been amended by:

- (1) Stating that HVB and the counties can work with ArCH and DBEDT to promote the arts and culture community of Hawaii;
- (2) Requesting HVB and the counties to support ArCH;
- (3) Directing certified copies of the measure be transmitted to the mayor of each county and the President of HVB; and
- (4) Making technical, nonsubstantive revisions for purposes of 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 concurs with the intent and purpose of H.C.R. No. 147, as amended herein, and recommends that it be referred to the Committee on Tourism, in the form attached hereto as H.C.R. No. 147, H.D. 1.

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

**SCRep. 1163-96 Higher Education and the Arts on H.C.R. No. 66**

The purpose of this concurrent resolution is to address the rising incidence of delinquency among Hawaii's youths by requesting the Office of Youth Services (OCY) to develop a program in which college students track the progress of delinquent youths and serve as their mentors and role models.

The University of Hawaii (UH), the UH School of Social Work, and the Honolulu Police Department testified in support of this measure. OCY supported the intent of this concurrent resolution.

Your Committee finds that this program can benefit both parties involved: the youths benefit from the frequent contact, attention, and mentoring provided by the college students; and the college students obtain "real world" experience in their fields of study.

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 concurs with the intent and purpose of H.C.R. No. 66 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1164-96 Hawaiian Affairs and Housing on H.R. No. 115**

The purpose of this resolution is to request the preparation of a development plan to ensure the orderly development of the Hawaiian Language Immersion Program.

Your Committee recognized the austere times faced by the state and believed that funds for the development of any program should be done with appropriate planning. It is for this reason that a program as important and rapidly growing as the Hawaiian Language Immersion Program should carefully plan the disposition of its funds to maximize and optimize its use.

Though the Department of Education indicated in testimony that it has already begun long-range planning for the Hawaiian Language Immersion Program, it supports the intent of this measure to bring various organizations together to assist in the planning effort.

Additional testimony in support of this measure was received from the Office of Hawaiian Affairs. No testimony was received in opposition to this measure.

In the interest of avoiding duplicative efforts by way of various legislative resolution requests, your Committee has amended the title and text of this measure by incorporating the intents of HR 87 and HR 88 into the text of this resolution.

The amendments incorporate into the purpose of the measure the intent to study the future needs of the Hawaiian Language Immersion Program and to establish Cultural Sensitivity Programs for all of its employees.

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 concurs with the intent and purpose of H.R. No. 115, as amended herein, and recommends that it be referred to the Committee on Education, in the form attached hereto as H.R. No. 115, H.D. 1.

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

**SCRep. 1165-96 Hawaiian Affairs and Housing on H.C.R. No. 110**

The purpose of this concurrent resolution is to request the preparation of a development plan to ensure the orderly development of the Hawaiian Language Immersion Program.

Your Committee recognized the austere times faced by the state and believed that funds for the development of any program should be done with appropriate planning. It is for this reason that a program as important and rapidly growing as the Hawaiian Language Immersion Program should carefully plan the disposition of its funds to maximize and optimize its use.

Though the Department of Education indicated in testimony that it has already begun long-range planning for the Hawaiian Language Immersion Program, it supports the intent of this measure to bring various organizations together to assist in the planning effort.

Additional testimony in support of this measure was received from the Office of Hawaiian Affairs. No testimony was received in opposition to this measure.

In the interest of avoiding duplicative efforts by way of various legislative resolution requests, your Committee has amended this measure by incorporating the intents of HCR 82 and HCR 83 into the text of this concurrent resolution.

The amendments incorporate into the purpose of the measure the intent to study the future needs of the Hawaiian Language Immersion Program and to establish Cultural Sensitivity Programs for all of its employees.

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 concurs with the intent and purpose of H.C.R. No. 110, as amended herein, and recommends that it be referred to the Committee on Education, in the form attached hereto as H.C.R. No. 110, H.D. 1.

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

**SCRep. 1166-96 Hawaiian Affairs and Housing on H.R. No. 122**

The purpose of the resolution to request that the United States extend to the Native Hawaiians the same privileges that have been granted to the Native Americans and Alaskan Natives regarding federal financial programs and technical assistance.

Testimony in support of this measure was received from the Department of Hawaiian Home Lands (DHHL) which cited references to the Hawaiian Home Lands Recovery Act, 1995, which mandates that the United States Department of the Interior assist the DHHL and beneficiaries in obtaining federal assistance. The DHHL requested that the resolution be amended to reflect the obligation as cited in the Hawaiian Home Lands Recovery Act.

Additional supportive testimony was provided by the Office Hawaiian Affairs and the Independent Council of Native Hawaiians.

No testimony was given in opposition to this measure.

Upon careful consideration, your Committee has amended the resolution to incorporate references to the Hawaiian Home Lands Recovery Act as provided by the DHHL.

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 concurs with the intent and purpose of H.R. No. 122, as amended herein, and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs, in the form attached hereto as H.R. No. 122, H.D. 1.

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

**SCRep. 1167-96 Hawaiian Affairs and Housing on H.C.R. No. 117**

The purpose of the concurrent resolution to request that the United States extend to the Native Hawaiians the same privileges that have been granted to the Native Americans and Alaskan Natives regarding federal financial programs and technical assistance.

Testimony in support of this measure was received from the Department of Hawaiian Home Lands (DHHL) which cited references to the Hawaiian Home Lands Recovery Act, 1995, which mandates that the United States Department of the Interior assist the DHHL and beneficiaries in obtaining federal assistance. The DHHL requested that the concurrent resolution be amended to reflect the obligation as cited in the Hawaiian Home Lands Recovery Act.

Additional supportive testimony was provided by the Office Hawaiian Affairs and the Independent Council of Native Hawaiians.

No testimony was given in opposition to this measure.

Upon careful consideration, your Committee has amended the measure to incorporate references to the Hawaiian Home Lands Recovery Act as provided by the DHHL.

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 concurs with the intent and purpose of H.C.R. No. 117, as amended herein, and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs, in the form attached hereto as H.C.R. No. 117, H.D. 1.

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

**SCRep. 1168-96 Hawaiian Affairs and Housing and Health and Human Services on H.R. No. 152**

The purpose of this measure is to urge the Governor to reaffirm the trust responsibility of the State for improving the health status of Hawaiians by evaluating and supporting existing programs.

The Department of Health testified in support of the intent of the measure but cited fiscal concerns as an inhibiting factor to conducting a comprehensive study. The department suggested directing the scarce resource to existing collaborative efforts.

Further supportive testimony was received from the Department of Human Services, the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, the University of Hawaii, John A. Burns School of Medicine, Hawaii Medical Association, Papa Ola Lokahi, Ke Ola Mamo, and a private citizen.

No testimony was received in opposition to this measure.

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

- (1) Incorporating the intent of HCR 140/HR 141 into this measure but modifying the wording so as to suggest that the Governor consider the role and accomplishments of the Governor's Pacific Health Promotion and Development Center and adjust his support accordingly; and
- (2) Making technical, nonsubstantive amendments for the purposes of consistency and clarity.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Housing and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 152, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 152, H.D. 1.

Signed by all members of the Committees except Representatives Arakaki, Hamakawa and Stegmaier.

**SCRep. 1169-96 Hawaiian Affairs and Housing and Health and Human Services on H.C.R. No. 150**

The purpose of this measure is to urge the Governor to reaffirm the trust responsibility of the State for improving the health status of Hawaiians by evaluating and supporting existing programs.

The Department of Health testified in support of the intent of the measure but cited fiscal concerns as an inhibiting factor to conducting a comprehensive study. The department suggested directing the scarce resource to existing collaborative efforts.

Further supportive testimony was received from the Department of Human Services, the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, the University of Hawaii, John A. Burns School of Medicine, Hawaii Medical Association, Papa Ola Lokahi, Ke Ola Mamo, and a private citizen.

No testimony was received in opposition to this measure.

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

- (1) Incorporating the intent of HCR 140/HR 141 into this measure but modifying the wording so as to suggest that the Governor consider the role and accomplishments of the Governor's Pacific Health Promotion and Development Center and adjust his support accordingly; and
- (2) Making technical, nonsubstantive amendments for the purposes of consistency and clarity.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Housing and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 150, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 150, H.D. 1.

Signed by all members of the Committees except Representatives Arakaki, Hamakawa and Stegmaier.

**SCRep. 1170-96 Public Safety and Military Affairs and Judiciary on H.C.R. No. 20**

The purpose of this House Concurrent Resolution is to urge the United States Congress to support legislation to support the Hawaii National Guard's Drug Demand Reduction Program.

The Department of Defense, the Drug Demand Reduction Administrator for the Department of Defense, Hawaii National Guard, and the Counterdrug Support Coordinator, Hawaii National Guard testified in support of this resolution.

Your Committees find that drug education and reduction programs are invaluable assets in surmounting the problems associated with drugs here in Hawaii and nationally. Your Committees further find that a key aspect of the Drug Demand Reduction Program is its provision of positive role models through National Guard members. These members of the Hawaii National Guard volunteer to go to elementary, intermediate and high schools in conjunction with the Honolulu Police Department's No Hope In Dope Program and in the DARE program. The purpose of these visits is to talk to students about the National Guard and how it is important to be drug free. In addition to these members from the National Guard there are other volunteers from National Guard families and communities, who have participated in many activities to help promote a drug free Hawaii. In Fiscal Year 1995, the Hawaii National Guard conducted 155 different activities using 300 volunteers, which touched the lives of 35,818 youths and adults. During a five month period in FY 1996, a total of 14,300 adults and youths benefited from these activities. As indicated above, the Committees find that the Hawaii National Guard's Drug Demand Reduction Program is a successful program and support its continuance. In addition, the Committees find that the program does not use State funds, since it is funded totally by the federal government.

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 concur with the intent and purpose of H.C.R. No. 20 and recommend its adoption.

Signed by all members of the Committees except Representatives White, Hamakawa and Menor.

**SCRep. 1171-96 Economic Development and Business Concerns on H.R. No. 66**

The purpose of this resolution is to support the efforts of the Hawaii Society of Corporate Planners in establishing, in cooperation with private economic development agencies, a statewide economic partnership group composed of representatives from the business, government, academic, labor, and foundation sectors in Hawaii.

Your Committee notes that the statewide economic partnership is similar to the Bay Area Economic Forum of San Francisco, California, which is comprised of high-level business, government, labor, academic, and civic leaders in the region to pursue and achieve shared economic development goals.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Society of Corporate Planners, the Economic Development Corporation of Honolulu, and a private citizen.

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 concurs with the intent and purpose of H.R. No. 66 and recommends its adoption.

Signed by all members of the Committee except Representative Morihara.

**SCRep. 1172-96 Economic Development and Business Concerns on H.C.R. No. 56**

The purpose of this concurrent resolution is to support the efforts of the Hawaii Society of Corporate Planners in establishing, in cooperation with private economic development agencies, a statewide economic partnership group composed of representatives from the business, government, academic, labor, and foundation sectors in Hawaii.

Your Committee notes that the statewide economic partnership is similar to the Bay Area Economic Forum of San Francisco, California, which is comprised of high-level business, government, labor, academic, and civic leaders in the region to pursue and achieve shared economic development goals.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Society of Corporate Planners, the Economic Development Corporation of Honolulu, and a private citizen.

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 concurs with the intent and purpose of H.C.R. No. 56 and recommends its adoption.

Signed by all members of the Committee except Representative Morihara.

**SCRep. 1173-96      Legislative Management on H.R. No. 53**

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a feasibility study of transferring the management of the State Capitol from the Department of Accounting and General Services (DAGS) to the Legislature.

Comments were submitted by DAGS.

Your Committee has amended this resolution by:

- (1) Amending its title to be consistent with its substance, to read: "REQUESTING A FEASIBILITY STUDY OF TRANSFERRING THE MANAGEMENT OF THE STATE CAPITOL FROM THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO THE LEGISLATURE";
- (2) Including that the feasibility study examine the number and experiences of other states where their Legislature is responsible for managing their State Capitol; 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 Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 53, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 53, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Okamura and Souki.

**SCRep. 1174-96      Legislative Management on H.C.R. No. 43**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a feasibility study of transferring the management of the State Capitol from the Department of Accounting and General Services (DAGS) to the Legislature.

Comments were submitted by DAGS.

Your Committee has amended this concurrent resolution by:

- (1) Amending its title to be consistent with its substance, to read: "REQUESTING A FEASIBILITY STUDY OF TRANSFERRING THE MANAGEMENT OF THE State Capitol FROM THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO THE Legislature";
- (2) Including that the feasibility study examine the number and experiences of other states where their Legislature is responsible for managing their State Capitol; 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 Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 43, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 43, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Okamura and Souki.

**SCRep. 1175-96      Legislative Management on H.C.R. No. 53**

The purpose of this concurrent resolution is to request the Legislative Auditor to:

- (1) Analyze the executive budget and planning system, known as the Planning, Programming, and Budgeting (PPB) System; and

- (2) Make recommendations to improve the PPB System, with a report to be submitted to the Legislature prior to the 1997 Regular Session.

Your Committee recognizes the need for government to undergo continual self-assessment to ensure optimal efficiency and effectiveness in the administration of public funds. This measure would help facilitate the sound and responsible allocation of limited state resources.

The Department of Budget and Finance submitted testimony in support of the intent of the concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 53 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Okamura and Souki.

**SCRep. 1176-96 Human Services on H.C.R. No. 239**

The purpose of this concurrent resolution is to establish a source of funding for the ASK 2000 helpline service.

Specifically, this concurrent resolution requests the Public Utilities Commission (PUC) to include, in its rules concerning distribution of moneys from the universal service fund (USF), provision for funding ASK 2000.

Your Committee received testimony from the Hawaii Community Services Council and Aloha United Way in favor of the concurrent resolution. GTE Hawaiian Tel testified in opposition. The Department of Commerce and Consumer Affairs testified that the USF may not yet be sufficiently established to undertake funding for ASK 2000 -- although at some later time it could be judged part of the evolving concept of universal service -- and that this decision would be best made by the PUC. The PUC testified neither in favor nor in opposition to funding ASK 2000 from the USF but stated that this concurrent resolution is unnecessary because the rules, as proposed (Chapter 6-81, Hawaii Administrative Rules (Department of Budget and Finance)), already provide a simpler mechanism for having the PUC consider including a particular service in the group of services funded by the USF.

Your Committee has amended this concurrent resolution to add the phrase "and consider funding for" ASK 2000.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 239, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce, in the form attached hereto as H.C.R. No. 239, H.D. 1.

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

**SCRep. 1177-96 Human Services and Health on H.C.R. No. 277**

The purpose of this concurrent resolution is to urge the Departments of Education, Health, and Human Services to cooperate and participate with the private sector to establish a comprehensive system of early childhood education and care services.

In addition, this concurrent resolution urges the private sector to proceed with soliciting funds from private sources to provide services where needs have been identified, and to work to redirect resources where services are duplicative.

Your Committees received testimony in support of this concurrent resolution from the Office of Children and Youth, the Department of Health, and the Department of Education. The Office of Children and Youth also suggested the addition of specific language to more clearly link the foregoing activities to the Early Childhood Education and Care Coordinating Committee's Good Beginnings Master Plan.

Your Committees have amended this concurrent resolution by:

- (1) Specifying that this system of early childhood education and care services should be established as described in the Early Childhood Education and Care Coordinating Committee's Good Beginnings Master Plan;
- (2) Urging the Departments of Labor and Industrial Relations, and Business, Economic Development, and Tourism, and the Office of Children and Youth to also cooperate in establishing this service system;
- (3) Urging businesses, parents, and members of the philanthropic community to also cooperate in establishing this service system;
- (4) Urging the private sector to establish community councils in each county for the purpose of conducting community planning as described in the Good Beginnings Master Plan;
- (5) Urging the private sector to implement the master plan, rather than providing services where needs have been identified, and working to redirect resources where services are duplicative; and
- (6) Making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

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 concur with the intent and purpose of H.C.R. No. 277, as amended herein, and recommend that it be referred to the Committee on Education, in the form attached hereto as H.C.R. No. 277, H.D. 1.

Signed by all members of the Committees except Representatives Arakaki, Hamakawa, Stegmaier, Anderson and Kawanakoa.

**SCRep. 1178-96 Higher Education and the Arts on H.R. No. 93**

The purpose of this resolution is to request the University of Hawaii to develop a five-year action plan to promote its tourism expertise as part of an education export initiative with recommendations including:

- (1) Identifying selected income-generating programs, functions, services, and activities of the School of Travel Industry Management that can be promoted and exported abroad;
- (2) Developing partnerships with other Hawaii educational, training, research, and industry organizations to maximize promotion of Hawaii's tourism expertise;
- (3) Developing mechanisms to allow research and training programs to retain a greater share of administrative and indirect costs related to grants and contracts generated by the program; and
- (4) Implementing marketing efforts with the assistance of the Department of Business, Economic Development, and Tourism.

Your Committee notes that as one of fifteen International Tourism Education and Training Centers designated by the World Tourism Organization, the University of Hawaii School of Travel Industry Management has provided training under international sponsorship to eight countries in the Pacific-Asia region. Since 1979, the School of Travel Industry Management has also provided executive development programs to participants from over 17 countries.

The University of Hawaii and the Chamber of Commerce of Hawaii submitted testimony in support of this measure. Comments were submitted by the Department of Business, Economic Development, and Tourism.

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 concurs with the intent and purpose of H.R. No. 93 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1179-96 Higher Education and the Arts on H.C.R. No. 88**

The purpose of this concurrent resolution is to request the University of Hawaii to develop a five-year action plan to promote its tourism expertise as part of an education export initiative with recommendations including:

- (1) Identifying selected income-generating programs, functions, services, and activities of the School of Travel Industry Management that can be promoted and exported abroad;
- (2) Developing partnerships with other Hawaii educational, training, research, and industry organizations to maximize promotion of Hawaii's tourism expertise;
- (3) Developing mechanisms to allow research and training programs to retain a greater share of administrative and indirect costs related to grants and contracts generated by the program; and
- (4) Implementing marketing efforts with the assistance of the Department of Business, Economic Development, and Tourism.

Your Committee notes that as one of fifteen International Tourism Education and Training Centers designated by the World Tourism Organization, the University of Hawaii School of Travel Industry Management has provided training under international sponsorship to eight countries in the Pacific-Asia region. Since 1979, the School of Travel Industry Management has also provided executive development programs to participants from over 17 countries.

The University of Hawaii and the Chamber of Commerce of Hawaii submitted testimony in support of this measure. Comments were submitted by the Department of Business, Economic Development, and Tourism.

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 concurs with the intent and purpose of H.C.R. No. 88 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1180-96 Higher Education and the Arts on H.R. No. 108**

The purpose of this resolution is to declare the Legislature's acceptance of the Barbers Point Museum Task Force's report entitled "Hawaii Museum Center" as a source document for planning purposes.

Additionally, the measure:

- (1) Declares the Legislature's support of the establishment of museological, educational, and cultural centers at Barbers Point Naval Air Station;

- (2) Requests the United States Navy to be mindful of the historical features of the air station during shutdown operations; and
- (3) Requests the Navy and federal government to be flexible and sympathetic to Hawaii's educational and cultural concerns with respect to the disposition of surplus federal properties.

Testimony supporting the measure was received from the Bishop Museum and a concerned individual. The Department of Land and Natural Resources and two concerned individuals submitted comments on the measure.

Your Committee finds that this resolution speaks eloquently to a number of the community needs and opportunities that could be met by the insightful use of Barber's Point Naval Air Station. Your Committee believes that acceptance of the Barber's Point Museum Task Force's report will help spur interest in education and cultural venues for future generations.

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 concurs with the intent and purpose of H.R. No. 108 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1181-96 Higher Education and the Arts on H.C.R. No. 103**

The purpose of this concurrent resolution is to declare the Legislature's acceptance of the Barbers Point Museum Task Force's report entitled "Hawaii Museum Center" as a source document for planning purposes.

Additionally, the measure:

- (1) Declares the Legislature's support of the establishment of museological, educational, and cultural centers at Barbers Point Naval Air Station;
- (2) Requests the United States Navy to be mindful of the historical features of the air station during shutdown operations; and
- (3) Requests the Navy and federal government to be flexible and sympathetic to Hawaii's educational and cultural concerns with respect to the disposition of surplus federal properties.

Testimony supporting the measure was received from the Bishop Museum and a concerned individual. The Department of Land and Natural Resources and two concerned individuals submitted comments on the measure.

Your Committee finds that this concurrent resolution speaks eloquently to a number of the community needs and opportunities that could be met by the insightful use of Barber's Point Naval Air Station. Your Committee believes that acceptance of the Barber's Point Museum Task Force's report will help spur interest in education and cultural venues for future generations.

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 concurs with the intent and purpose of H.C.R. No. 103 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1182-96 Health on H.R. No. 62**

The purpose of this resolution, as received by your Committee, is to have the Department of Health (DOH) convene a task force consisting of representatives of health care insurance providers, physicians, and hospitals to develop standards of post partum care for women and newborns and to make policy recommendations to the Legislature.

Testimony in support of this resolution was submitted by the DOH, the Hawaii Early Intervention Coordinating Council, the Hawaii Medical Service Association, and Kaiser Permanente. Kapiolani Medical Center for Women & Children, the Hawaii Nurses Association, and Healthy Mothers, Healthy Babies Coalition of Hawaii also testified in support of this measure, but recommended that it be amended to include additional participants in the task force.

The American Academy of Pediatrics - Hawaii Chapter, Inc. (AAP), likewise submitted supporting testimony. In its testimony, the AAP noted that section 23-51, Hawaii Revised Statutes (HRS), requires that both houses of the Legislature pass concurrent resolutions requesting that the Auditor prepare and submit to the Legislature a report that assesses the social and financial effects of any proposed legislative measure mandating health insurance coverage for specific health services before any such legislation may be considered. Therefore, the AAP suggested amending the measure to either have the Auditor convene the task force or to request that the Auditor conduct a study pursuant to sections 23-51, HRS, of any legislation proposed by the task force.

Your Committee finds that expanding the composition of the task force to include additional participants will ensure that the task force's findings and recommendations will better address the concerns and needs of both the consumer and professional health care communities. In addition, your Committee believes that adopting the recommendation of the AAP to have the Auditor conduct a study pursuant to sections 23-51 and 23-52, HRS, may serve to expedite the passage of any legislation proposed by the task force relating to health insurance coverage for post partum care.

Accordingly, your Committee has amended this resolution by:

- (1) Revising its title to read: "HOUSE RESOLUTION REQUESTING THE CREATION OF A TASK FORCE ON POST PARTUM CARE AND AN IMPACT ASSESSMENT";
- (2) Adding representatives of the DOH, the Department of Human Services, the Hawaii Nurses' Association, consumers, perinatal providers, social workers, and nonprofit agencies to the composition of the task force;
- (3) Requesting that the Auditor, if required by section 23-51, HRS, prepare and submit to the Legislature no later than twenty days prior to the convening of the Regular Session of 1997 a report that assesses both the social and financial effects of any proposed legislation relating to health insurance coverage for post partum care transmitted to the Auditor by the task force;
- (4) Having a certified copy of the resolution transmitted to the Auditor in addition to the Director of Health; and
- (5) Making technical, nonsubstantive revisions 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 concurs with the intent and purpose of H.R. No. 62, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce, in the form attached hereto as H.R. No. 62, H.D. 1.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 1183-96 Health on H.C.R. No. 52**

The purpose of this concurrent resolution, as received by your Committee, is to have the Department of Health (DOH) convene a task force consisting of representatives of health care insurance providers, physicians, and hospitals to develop standards of post partum care for women and newborns and to make policy recommendations to the Legislature.

Testimony in support of this concurrent resolution was submitted by the DOH, the Hawaii Early Intervention Coordinating Council, the Hawaii Medical Service Association, and Kaiser Permanente. Kapiolani Medical Center for Women & Children, the Hawaii Nurses Association, and Healthy Mothers, Healthy Babies Coalition of Hawaii also testified in support of this measure, but recommended that it be amended to include additional participants in the task force.

The American Academy of Pediatrics - Hawaii Chapter, Inc. (AAP), likewise submitted supporting testimony. In its testimony, the AAP noted that section 23-51, Hawaii Revised Statutes (HRS), requires that both houses of the Legislature pass concurrent resolutions requesting that the Auditor prepare and submit to the Legislature a report that assesses the social and financial effects of any proposed legislative measure mandating health insurance coverage for specific health services before any such legislation may be considered. Therefore, the AAP suggested amending the measure to either have the Auditor convene the task force or to request that the Auditor conduct a study pursuant to sections 23-51, HRS, of any legislation proposed by the task force.

Your Committee finds that expanding the composition of the task force to include additional participants will ensure that the task force's findings and recommendations will better address the concerns and needs of both the consumer and professional health care communities. In addition, your Committee believes that adopting the recommendation of the AAP to have the Auditor conduct a study pursuant to sections 23-51 and 23-51, HRS, may serve to expedite the passage of any legislation proposed by the task force relating to health insurance coverage for post partum care.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Revising its title to read: "HOUSE CONCURRENT RESOLUTION REQUESTING THE CREATION OF A TASK FORCE ON POST PARTUM CARE AND AN IMPACT ASSESSMENT";
- (2) Adding representatives of the DOH, the Department of Human Services, the Hawaii Nurses' Association, consumers, perinatal providers, social workers, and nonprofit agencies to the composition of the task force;
- (3) Requesting that the Auditor, if required by section 23-51, HRS, prepare and submit to the Legislature no later than twenty days prior to the convening of the Regular Session of 1997 a report that assesses both the social and financial effects of any proposed legislation relating to health insurance coverage for post partum care transmitted to the Auditor by the task force;
- (4) Having a certified copy of the concurrent resolution transmitted to the Auditor in addition to the Director of Health; and
- (5) Making technical, nonsubstantive revisions 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 concurs with the intent and purpose of H.C.R. No. 52, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce, in the form attached hereto as H.C.R. No. 52, H.D. 1.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 1184-96 Health on H.R. No. 109**

The purpose of this resolution, as received by your Committee, is to request that the Director of Health support, collaborate, and work with the Hawaii Health Foundation (HHF) in its effort to develop and promote Hawaii as a destination center for health.

The University of Hawaii and the John A. Burns School of Medicine submitted testimony supporting this resolution. The Department of Business, Economic Development, and Tourism (DBEDT) testified in support of the intent of this resolution, but recommended that it be amended to designate the DBEDT, rather than the Department of Health (DOH), as the agency to work with the HHF in its efforts to develop and promote Hawaii as a destination center for health. Oral comments offered by the DOH indicated that it had no objections to the amendment proposed by the DBEDT.

Testimony submitted by the DBEDT indicated that:

- (1) One major area that the Governor's Health Tourism Task Force (Task Force) is focusing its efforts on is promoting Hawaii's medical expertise through the convening of health-related seminars and conferences in Hawaii; and
- (2) The Task Force has already held discussions with the HHF about the HHF's interest in producing an international conference in Honolulu in conjunction with Oldways Preservation and Exchange Trust on improving health through traditional diets.

Accordingly, your Committee has amended this measure to reflect the amendment proposed by the DBEDT. Your Committee believes that as the DBEDT is apparently acting as the lead agency for the Task Force, it is only appropriate that the DBEDT be designated as the lead agency for purposes of this resolution.

In addition, your Committee has made technical, nonsubstantive revisions 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 concurs with the intent and purpose of H.R. No. 109, as amended herein, and recommends that it be referred to the Committee on Tourism, in the form attached hereto as H.R. No. 109, H.D. 1.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 1185-96 Health on H.C.R. No. 104**

The purpose of this concurrent resolution, as received by your Committee, is to request that the Director of Health support, collaborate, and work with the Hawaii Health Foundation (HHF) in its effort to develop and promote Hawaii as a destination center for health.

The University of Hawaii and the John A. Burns School of Medicine submitted testimony supporting this concurrent resolution. The Department of Business, Economic Development, and Tourism (DBEDT) testified in support of the intent of this concurrent resolution, but recommended that it be amended to designate the DBEDT, rather than the Department of Health (DOH), as the agency to work with the HHF in its efforts to develop and promote Hawaii as a destination center for health. Oral comments offered by the DOH indicated that it had no objections to the amendment proposed by the DBEDT.

Testimony submitted by the DBEDT indicated that:

- (1) One major area that the Governor's Health Tourism Task Force (Task Force) is focusing its efforts on is promoting Hawaii's medical expertise through the convening of health-related seminars and conferences in Hawaii; and
- (2) The Task Force has already held discussions with the HHF about the HHF's interest in producing an international conference in Honolulu in conjunction with Oldways Preservation and Exchange Trust on improving health through traditional diets.

Accordingly, your Committee has amended this measure to reflect the amendment proposed by the DBEDT. Your Committee believes that as the DBEDT is apparently acting as the lead agency for the Task Force, it is only appropriate that the DBEDT be designated as the lead agency for purposes of this concurrent resolution.

In addition, your Committee has made technical, nonsubstantive revisions 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 concurs with the intent and purpose of H.C.R. No. 104, as amended herein, and recommends that it be referred to the Committee on Tourism, in the form attached hereto as H.C.R. No. 104, H.D. 1.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 1186-96 Health on H.R. No. 123**

The purpose of this resolution is to request that the Office of the Auditor perform a sunrise review of the regulation of occupational therapists and occupational therapist assistants as provided for in H.B. No. 1326, introduced during the Regular Session of 1995.

The Occupational Therapy Association of Hawaii, the vice-president of the Rehabilitation Hospital of the Pacific, the director of the Rehabilitation Services Department, Kapiolani Medical Center for Women & Children, the president of the Hawaii Chapter of the American Physical Therapy Association, two physiatrists, two speech pathologists, a former patient, and numerous occupational therapists, certified occupational therapist assistants, and physical therapists submitted testimony in support of this resolution.

Your Committee finds that Hawaii is one of only two states that has a trademark law relating to occupational therapists and occupational therapist assistants, prohibiting persons from calling themselves occupational therapists or occupational therapist assistants, but not prohibiting them from providing occupational therapy services. Your Committee notes that forty-one jurisdictions in the United States have licensure laws which regulates and provides sanctions for incompetent or harmful occupational therapy practices.

Your Committee believes that all practicing members of a profession, regardless of their title, should be required to meet certain professional standards and that there should be legal procedures in place to ensure that those standards are met for the protection of the public health, welfare, and safety. However, before such regulation is in place, your Committee finds a study is required under section 26H-6, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 123 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 1187-96 Health on H.C.R. No. 124**

The purpose of this concurrent resolution is to request that the Office of the Auditor perform a sunrise review of the regulation of occupational therapists and occupational therapist assistants as provided for in H.B. No. 1326, introduced during the Regular Session of 1995.

The Occupational Therapy Association of Hawaii, the vice-president of the Rehabilitation Hospital of the Pacific, the director of the Rehabilitation Services Department, Kapiolani Medical Center for Women & Children, the president of the Hawaii Chapter of the American Physical Therapy Association, two psychiatrists, two speech pathologists, a former patient, and numerous occupational therapists, certified occupational therapist assistants, and physical therapists submitted testimony in support of this concurrent resolution.

Your Committee finds that Hawaii is one of only two states that has a trademark law relating to occupational therapists and occupational therapist assistants, prohibiting persons from calling themselves occupational therapists or occupational therapist assistants, but not prohibiting them from providing occupational therapy services. Your Committee notes that forty-one jurisdictions in the United States have licensure laws which regulates and provides sanctions for incompetent or harmful occupational therapy practices.

Your Committee believes that all practicing members of a profession, regardless of their title, should be required to meet certain professional standards and that there should be legal procedures in place to ensure that those standards are met for the protection of the public health, welfare, and safety. However, before such regulation is in place, your Committee finds a study is required under section 26H-6, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 124 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 1188-96 Health on H.R. No. 224**

The purpose of this resolution is to request the Legislative Auditor to:

- (1) Examine the impact, including economic costs, health costs, and human costs, of making the coverage for mental illness and substance abuse in health care plans equivalent to the coverage for physical illnesses;
- (2) Include in the study, estimates of the numbers of persons who might benefit from parity, the reduction or increase in overall health care costs, the reduction or increase in the numbers of homeless persons and recipients of general assistance; and
- (3) Gather relevant data from the five states that have mandated parity.

Testimony in support of this resolution was submitted by the Department of Health, the Kokua Council, the Hawaii Nurses' Association, the Hawaii Psychiatric Medical Association, the Oahu Alliance for the Mentally Ill, the Mental Health Association in Hawaii, the Hawaii Psychological Association and United Self-Help. The Hawaii Medical Service Association submitted comments.

Your Committee feels that persons with a substance abuse problem or a mental illness are no less important than persons with physical conditions.

Your Committee feels that Advanced Practice Registered Nurses and Licensed Social Workers should be eligible for third party reimbursement when they provide appropriate services for persons with a substance abuse problem or mental illness.

Your Committee has amended this resolution by:

- (1) Requesting the auditor to analyze the financial and social impact of including Advanced Practice Registered Nurses and Social Workers in third party reimbursement eligibility provisions for mental health and substance abuse treatment; and

- (2) Changing the title of this concurrent resolution to include a study of the impact of requiring third party reimbursement for treatment by Social workers and Advanced Practice Registered Nurses.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 224, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce, in the form attached hereto as H.R. No. 224, H.D. 1.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 1189-96 Health on H.C.R. No. 229**

The purpose of this concurrent resolution is to request the Legislative Auditor to:

- (1) Examine the impact, including economic costs, health costs, and human costs, of making the coverage for mental illness and substance abuse in health care plans equivalent to the coverage for physical illnesses;
- (2) Include in the study, estimates of the numbers of persons who might benefit from parity, the reduction or increase in overall health care costs, the reduction or increase in the numbers of homeless persons and recipients of general assistance; and
- (3) Gather relevant data from the five states that have mandated parity.

Testimony in support of this concurrent resolution was submitted by The Department of Health, the Kokua Council, the Hawaii Nurses' Association, the Hawaii Psychiatric Medical Association, the Oahu Alliance for the Mentally Ill, the Mental Health Association in Hawaii, the Hawaii Psychological Association and United Self-Help. The Hawaii Medical Service Association submitted comments.

Your Committee feels that persons with a substance abuse problem or a mental illness deserve equal treatment and services as accorded to those persons with physical conditions.

Your Committee feels that Advanced Practice Registered Nurses and Licensed Social Workers should be eligible for third party reimbursement when they provide appropriate services for persons with a substance abuse problem or mental illness.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the auditor to analyze the financial and social impact of including Advanced Practice Registered Nurses and Social Workers in third party reimbursement eligibility provisions for mental health and substance abuse treatment; and
- (2) Changing the title of this concurrent resolution to include a study of the impact of requiring third party reimbursement for treatment by Social Workers and Advanced Practice Registered Nurses.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 229, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce, in the form attached hereto as H.C.R. No. 229, H.D. 1.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 1190-96 Energy and Environmental Protection on H.R. No. 245**

The purpose of this House Resolution is to request the Governor to convene a task force of experts to discuss plans to allow strictly controlled ecotourism in the Northwestern Hawaiian Islands (NWHI).

Ecotourism has been touted as an alternative to the highly commercialized tourism that has existed in Hawaii for over fifty years. Ecotourism activities acknowledge the inherent beauty of Hawaii's precious natural resources while preserving the very resources that it displays.

Your Committee notes its utmost concern for preserving the NWHI as a pristine wildlife sanctuary. Testimony was also submitted by the Department of Business, Economic Development and Tourism stating that with the exception of Midway Island, all other islands are "too environmentally fragile to allow ecotourism activity." As such, your Committee remains very cautious with regard to endorsing any operation that may exploit the NWHI regardless of the control mechanisms that may be instituted (i.e. restricting the number of visitors allowed, etc.).

In lieu of holding the measure, your Committee believes that its reservations regarding ecotourism in the NWHI should not impede a detailed discussion on ecotourism environmental policies for Hawaii. As such, your Committee has amended the resolution by:

- (1) Deleting all references to the convening of the Tourism Industry and Intergovernmental Task Force and reporting requirements;
- (2) Deleting all references to the NWHI; and

- (3) Resolving that the Committee itself meet during the interim to discuss the environmental issues of ecotourism relating to Hawaii and draft legislation arising from said discussions.

Your Committee has also made other amendments for purposes of style, clarity, and conformity.

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 concurs with the intent and purpose of H.R. No. 245 and recommends that it be referred to the Committee on Tourism in the form attached hereto as H.R. No. 245 H.D. 1.

Signed by all members of the Committee except Representatives Kanoho, Santiago and Takamine.

**SCRep. 1191-96 Higher Education and the Arts on H.R. No. 209**

The purpose of this resolution is to request the President and the Board of Regents of the University of Hawaii to actively involve students, faculty, and staff in budget-making and fiscal policy-making processes.

Supportive testimony was received from several students from the Associated Students of Maui Community College, several students and staff from Hawaii Community College, the Graduate Student Organization at the University of Hawaii at Manoa, the Hawaii Green Party, the Board of Regents student representative, and numerous concerned individuals. The University of Hawaii submitted comments on this measure.

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

- (1) Clarifying that the President and the Board of Regents of the University of Hawaii is requested to actively involve students, faculty, and staff on every campus in budget-making and fiscal policy-making processes, and long-term development planning, both physical and academic;
- (2) Amending the title to read "REQUESTING THE UNIVERSITY OF HAWAII ADMINISTRATION TO ACTIVELY INVOLVE STUDENTS, FACULTY, AND STAFF ON EVERY CAMPUS IN BUDGET-MAKING AND FISCAL POLICY-MAKING PROCESSES, AND LONG-TERM DEVELOPMENT PLANNING, BOTH PHYSICAL AND ACADEMIC"; 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 Higher Education and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 209, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 209, H.D. 1.

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

**SCRep. 1192-96 Higher Education and the Arts on H.C.R. No. 212**

The purpose of this concurrent resolution is to request the President and the Board of Regents of the University of Hawaii to actively involve students, faculty, and staff in budget-making and fiscal policy-making processes.

Supportive testimony was received from several students from the Associated Students of Maui Community College, several students and staff from Hawaii Community College, the Graduate Student Organization at the University of Hawaii at Manoa, the Hawaii Green Party, the Board of Regents student representative, and numerous concerned individuals. The University of Hawaii submitted comments on this measure.

Upon careful consideration, your Committee has amended this concurrent resolution by:

- (1) Clarifying that the President and the Board of Regents of the University of Hawaii is requested to actively involve students, faculty, and staff on every campus in budget-making and fiscal policy-making processes, and long-term development planning, both physical and academic;
- (2) Amending the title to read "REQUESTING THE UNIVERSITY OF HAWAII ADMINISTRATION TO ACTIVELY INVOLVE STUDENTS, FACULTY, AND STAFF ON EVERY CAMPUS IN BUDGET-MAKING AND FISCAL POLICY-MAKING PROCESSES, AND LONG-TERM DEVELOPMENT PLANNING, BOTH PHYSICAL AND ACADEMIC"; 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 Higher Education and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 212, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 212, H.D. 1.

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

**SCRep. 1193-96 Higher Education and the Arts on H.R. No. 264**

The purpose of this resolution is to urge Maui Community College (MCC) to provide training, equipment, and facilities to the residents of Molokai and Lanai to permit them to produce programs suitable for broadcast on Akaku.

Supportive testimony was received from Common Cause Hawaii. The University of Hawaii submitted comments on this measure.

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

- (1) Clarifying that MCC has been committed to the implementation, maintenance, and improvement of distance education in the County of Maui;
- (2) Explaining that MCC has agreed to the use of its outreach centers in Lanai City and Kaunakakai for programming and broadcasting of public access television;
- (3) Clarifying that the Lanai Education Center is being remodeled into a classroom to accommodate the video equipment and is estimated to be operational later this year;
- (4) Clarifying that MCC and Akaku are requested to work together to provide public access to help residents of Molokai and Lanai produce programs suitable for broadcast on Akaku;
- (5) Changing the title to read "REQUESTING MAUI COMMUNITY COLLEGE AND AKAKU TO PROVIDE PUBLIC ACCESS TO HELP RESIDENTS OF MOLOKA'I AND LANA'I PRODUCE PROGRAMS SUITABLE FOR BROADCAST ON AKAKU"; and
- (6) 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 concurs with the intent and purpose of H.R. No. 264, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce, in the form attached hereto as H.R. No. 264, H.D. 1.

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

**SCRep. 1194-96 Higher Education and the Arts on H.C.R. No. 273**

The purpose of this concurrent resolution is to urge Maui Community College (MCC) to provide training, equipment, and facilities to the residents of Molokai and Lanai to permit them to produce programs suitable for broadcast on Akaku.

Supportive testimony was received from Common Cause Hawaii. The University of Hawaii submitted comments on this measure.

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

- (1) Clarifying that MCC has been committed to the implementation, maintenance, and improvement of distance education in the County of Maui;
- (2) Explaining that MCC has agreed to the use of its outreach centers in Lanai City and Kaunakakai for programming and broadcasting of public access television;
- (3) Clarifying that the Lanai Education Center is being remodeled into a classroom to accommodate the video equipment and is estimated to be operational later this year;
- (4) Clarifying that MCC and Akaku are requested to work together to provide public access to help the residents of Molokai and Lanai to produce programs suitable for broadcast on Akaku;
- (5) Changing the title to read "REQUESTING MAUI COMMUNITY COLLEGE AND AKAKU TO PROVIDE PUBLIC ACCESS TO HELP RESIDENTS OF MOLOKA'I AND LANA'I PRODUCE PROGRAMS SUITABLE FOR BROADCAST ON AKAKU"; and
- (6) 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 concurs with the intent and purpose of H.C.R. No. 273, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce, in the form attached hereto as H.C.R. No. 273, H.D. 1.

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

**SCRep. 1195-96 Health on H.R. No. 212**

The purpose of this resolution is to urge the State to revise its drug policy towards controlling substance abuse by incorporating the harm reduction approach.

The resolution requests the Department of Health (DOH), in collaboration with the Hawaii Drug Policy Options Group, to prepare a report that proposes the basic components of a new policy that incorporates the harm reduction approach and recommends the means to implement it. In addition, the DOH is to assess and propose amendments to existing laws, the reallocation of funding, the expansion and creation of new substance abuse treatment programs, and other means of intervention to implement the harm reduction approach.

Testimony in support of this resolution was submitted by the Governor's Committee on AIDS, the American Civil Liberties Union of Hawaii, the convener of the Hawaii Drug Policy Options Group, and another individual.

Testimony in opposition to this resolution was submitted by DOH, the Attorney General, and the Honolulu Police Department.

Your Committee is disappointed that public agencies testified against reducing the harm caused by illegal drug use. Your Committee can only conclude that further information about this concept would be helpful in shaping public policy.

Your Committee notes that the resolution is not the appropriate way to change state policy even if such a change is indicated. As such, the resolution has been amended by:

- (1) Revising the title to delete the revision of the state's drug policy, and instead urging a study of the harm reduction approach;
- (2) Deleting the BE IT RESOLVED paragraph urging the State to revise its drug policy;
- (3) Requesting the Legislative Reference Bureau (LRB) to prepare a report detailing the harm reduction approach rather than requesting the Department of Health to propose a new policy;
- (4) Adding a new BE IT FURTHER RESOLVED paragraph directing LRB to consult with other relevant agencies in preparing a balanced report;
- (5) Directing LRB rather than DOH to research the fundamental elements of the harm reduction approach;
- (6) Directing LRB to propose changes that would be necessary to implement harm reduction, if harm reduction were to be implemented, rather than directing DOH to propose amendments to existing laws and other interventions to implement harm reduction;
- (7) Directing LRB rather than DOH to report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 1997; and
- (8) Making technical, nonsubstantive revisions 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 concurs with the intent and purpose of H.R. No. 212, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 212, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1196-96      Health on H.C.R. No. 217**

The purpose of this concurrent resolution is to urge the State to revise its drug policy towards controlling substance abuse by incorporating the harm reduction approach.

The concurrent resolution requests the Department of Health (DOH), in collaboration with the Hawaii Drug Policy Options Group, to prepare a report that proposes the basic components of a new policy that incorporates the harm reduction approach and recommends the means to implement it. In addition, the DOH is to assess and propose amendments to existing laws, the reallocation of funding, the expansion and creation of new substance abuse treatment programs, and other means of intervention to implement the harm reduction approach.

Testimony in support of this concurrent resolution was submitted by the Governor's Committee on AIDS, the American Civil Liberties Union of Hawaii, the convener of the Hawaii Drug Policy Options Group, and another individual.

Testimony in opposition to this concurrent resolution was submitted by DOH, the Attorney General, and the Honolulu Police Department.

Your Committee is disappointed that public agencies testified against reducing the harm caused by illegal drug use. Your Committee can only conclude that further information about this concept would be helpful in shaping public policy.

Your Committee notes that the concurrent resolution is not the appropriate way to change state policy even if such a change is indicated. As such, the concurrent resolution has been amended by:

- (1) Revising the title to delete the revision of the state's drug policy, and instead urging a study of the harm reduction approach;
- (2) Deleting the BE IT RESOLVED paragraph urging the State to revise its drug policy;
- (3) Requesting the Legislative Reference Bureau (LRB) to prepare a report detailing the harm reduction approach rather than requesting the Department of Health to propose a new policy;
- (4) Adding a new BE IT FURTHER RESOLVED paragraph directing LRB to consult with other relevant agencies in preparing a balanced report;
- (5) Directing LRB rather than DOH to research the fundamental elements of the harm reduction approach;

- (6) Directing LRB to propose changes that would be necessary to implement harm reduction, if harm reduction were to be implemented, rather than directing DOH to propose amendments to existing laws and other interventions to implement harm reduction;
- (7) Directing LRB rather than DOH to report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 1997; and
- (8) Making technical, nonsubstantive revisions 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 concurs with the intent and purpose of H.C.R. No. 217, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 217, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1197-96 Education on H.R. No. 183**

The purpose of this resolution is to request the Department of Education and the Department of Parks and Recreation of the City and County of Honolulu to work cooperatively to establish a temporary after-school skateboarding program at Sunset Beach Elementary School.

Your Committee received testimony from the Sunset Beach Community Association and several individuals in favor of the measure. The Department of Education supported the intent of the measure, but expressed liability concerns.

As affirmed by the records of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 183 and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs.

Signed by all members of the Committee except Representatives Morihara, Santiago and Takamine.

**SCRep. 1198-96 Education on H.C.R. No. 183**

The purpose of this concurrent resolution is to request the Department of Education and the Department of Parks and Recreation of the City and County of Honolulu to work cooperatively to establish a temporary after-school skateboarding program at Sunset Beach Elementary School.

Your Committee received testimony from the Sunset Beach Community Association and several individuals in favor of the measure. The Department of Education supported the intent of the measure, but expressed liability concerns.

As affirmed by the records of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 183 and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs.

Signed by all members of the Committee except Representatives Morihara, Santiago and Takamine.

**SCRep. 1199-96 Education on H.R. No. 207**

The purpose of this resolution is to request the Attorney General to review the contract between the Department of Education and the Hawaii State Teachers Association to determine whether its impact denies students in disadvantaged areas an equal opportunity to succeed in learning.

The Department of Education stated they had no objection to this measure.

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

- (1) Deleting language referring to "tenure";
- (2) Requesting the Legislative Reference Bureau, rather than the Attorney General, to review the contract between the Department of Education and the Hawaii State Teachers Association;
- (3) Changing the title to read "REQUESTING A REVIEW OF THE CONTRACT BETWEEN THE DEPARTMENT OF EDUCATION AND THE HAWAII STATE TEACHERS ASSOCIATION TO DETERMINE WHETHER ITS IMPACT DENIES STUDENTS IN DISADVANTAGED AREAS AN EQUAL OPPORTUNITY TO SUCCEED IN LEARNING"; and
- (4) Making technical, nonsubstantive amendments for 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 concurs with the intent and purpose of H.R. No. 207, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 207, H.D. 1.

Signed by all members of the Committee except Representatives Morihara, Santiago and Takamine.

**SCRep. 1200-96 Education on H.C.R. No. 209**

The purpose of this concurrent resolution is to request the Attorney General to review the contract between the Department of Education and the Hawaii State Teachers Association to determine whether its impact denies students in disadvantaged areas an equal opportunity to succeed in learning.

The Department of Education stated they had no objection to this measure.

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

- (1) Deleting language referring to "tenure";
- (2) Requesting the Legislative Reference Bureau, rather than the Attorney General, to review the contract between the Department of Education and the Hawaii State Teachers Association;
- (3) Changing the title to read "REQUESTING A REVIEW OF THE CONTRACT BETWEEN THE DEPARTMENT OF EDUCATION AND THE HAWAII STATE TEACHERS ASSOCIATION TO DETERMINE WHETHER ITS IMPACT DENIES STUDENTS IN DISADVANTAGED AREAS AN EQUAL OPPORTUNITY TO SUCCEED IN LEARNING"; and
- (4) Making technical, nonsubstantive amendments for 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 concurs with the intent and purpose of H.C.R. No. 209, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 209, H.D. 1.

Signed by all members of the Committee except Representatives Morihara, Santiago and Takamine.

**SCRep. 1201-96 Education on H.C.R. No. 282**

The purpose of this concurrent resolution is to request the Board of Education to formulate a uniform, written policy with a detailed description of how to address the concerns and grievances of students, parents, and the general public.

Christian Voice of Hawaii and several concerned individuals submitted testimony in support of this measure. The Board of Education submitted testimony in support of the intent of this measure.

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

- (1) Clarifying that clear policies and procedures have been delineated in the areas of student discipline and school employees' rights;
- (2) Simplifying the language to request the Department of Education to develop procedures to ensure uniformity of due process rights afforded all citizens of the State so that the complainants and the accused are afforded specified rights; 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 concurs with the intent and purpose of H.C.R. No. 282, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 282, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Santiago and Takamine.  
(Representatives Lee and Yonamine voted no.)

**SCRep. 1202-96 Education on H.C.R. No. 342**

The purpose of this concurrent resolution is to request the Hawaii State Student Council to convene a Task Force to review the appropriateness of the methods used to select district student council representatives, Hawaii State Student Council members, and the student member of the Board of Education.

The Task Force is to be composed of members of the Hawaii State Student Council and the chairpersons of the district student councils.

This measure also requests the Legislative Reference Bureau, with the assistance of the Department of Education, to:

- (1) Survey all public intermediate and high schools to determine the different methods used to select district student council representatives;
- (2) Survey all school student council representatives to determine the preferred methods of selecting district student council representatives, Hawaii State Student Council members, and the student member of the Board of Education; and
- (3) Provide administrative support for the Task Force.

The Department of Education submitted testimony concurring with 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 concurs with the intent and purpose of H.C.R. No. 342 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Santiago and Takamine.

**SCRep. 1203-96 Human Services and Health on H.R. No. 89**

The purpose of this House Resolution is to request the creation of an interagency task force on food and nutrition assistance to coordinate activities relating to food and nutrition assistance.

The Department of Human Services, the Department of Health, the Department of Food Sciences and Human Nutrition, College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa, and the Department of Political Science, University of Hawaii at Manoa, submitted testimony in support of this measure.

Your Committees find that hunger is a growing concern in Hawaii, especially among the low-income families with children. Your Committees further find that recent and projected changes in assistance programs and general budget-shortfalls, at federal and state levels, are likely to increase rates of hunger and under-nutrition, especially among children. Thus, your Committees find that a collaborative effort is needed to unite assistance providers, to coordinate services, and to monitor the needs and effectiveness of assistance efforts.

Your Committees have amended this House Resolution by:

- (1) Deleting the Family and Adult Services Division of the Department of Human Services as a convener of the Interagency Task Force on Food and Nutrition Assistance (Task Force), and making it the eleventh member on the Task Force;
- (2) Deleting the Director of Human Services from page 2, line 44; and
- (3) Making technical, nonsubstantive revisions for purposes of style and clarity.

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 concur with the intent and purpose of H.R. No. 89, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 89, H.D. 1.

Signed by all members of the Committees except Representatives Arakaki, Hamakawa, Stegmaier, Anderson and Kawanakoa.

**SCRep. 1204-96 Human Services and Health on H.C.R. No. 84**

The purpose of this House Concurrent Resolution is to request the creation of an interagency task force on food and nutrition assistance to coordinate activities relating to food and nutrition assistance.

The Department of Human Services, the Department of Health, the Department of Food Sciences and Human Nutrition, College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa, and the Department of Political Science, University of Hawaii at Manoa, submitted testimony in support of this measure.

Your Committees find that hunger is a growing concern in Hawaii, especially among the low-income families with children. Your Committees further find that recent and projected changes in assistance programs and general budget-shortfalls, at federal and state levels, are likely to increase rates of hunger and under-nutrition, especially among children. Thus, your Committees find that a collaborative effort is needed to unite assistance providers, to coordinate services, and to monitor the needs and effectiveness of assistance efforts.

Your Committees have amended this House Concurrent Resolution by:

- (1) Deleting the Family and Adult Services Division of the Department of Human Services as a convener of the Interagency Task Force on Food and Nutrition Assistance (Task Force), and making it the eleventh member on the Task Force;
- (2) Deleting the Director of Human Services from page 2, line 44; and
- (3) Making technical, nonsubstantive revisions for purposes of style and clarity.

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 concur with the intent and purpose of H.C.R. No. 84, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 84, H.D. 1.

Signed by all members of the Committees except Representatives Arakaki, Hamakawa, Stegmaier, Anderson and Kawanakoa.

**SCRep. 1205-96 Public Safety and Military Affairs on H.R. No. 271**

Because the Maui County Task Force has been a vital force in identifying areas concerning community safety, the purpose of this resolution is to provide support and encouragement so that its mission may continue.

The Department of Public Safety, in its testimony supporting this resolution, noted that the working relationship between the Task Force and the Warden at Maui Community Correctional Center has contributed to improved relations and a better understanding of the corrections system.

Your Committee recognizes that, although the Task Force was formed as a result of a highly-publicized furlough escape in March 1995, this community effort has resulted in increased awareness and positive changes in policy, including implementation of changes at MCCC in its management of furlough programs.

Therefore, your Committee agrees that it should be encouraged to continue to analyze community public safety needs and make recommendations aimed at improving communications and procedures.

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 concurs with the intent and purpose of H.R. No. 271 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

**SCRep. 1206-96 Public Safety and Military Affairs on H.R. No. 157**

The purpose of this resolution is to support the efforts of Hawaii's Congressional Delegation and the U.S.S. Missouri Memorial Association, Inc. in homeporting the U.S.S. Missouri at Battleship Row in Pearl Harbor.

Additionally, this resolution requests:

- (1) The Legislative Reference Bureau to review current laws limiting the issuance of special purpose revenue bonds; and
- (2) The Department of Business, Economic Development, and Tourism (DBEDT) to analyze the impact of expanding the use of special purpose revenue bonds to include the development of infrastructure for the U.S.S. Missouri and for public use visitor industry infrastructure in general.

Testimony in support of this measure was received from the U.S.S. Missouri Memorial Association, Inc., the Veterans of Foreign Wars, and the Hawaii Business Roundtable. The Office of Veterans Services submitted testimony in support of the intent of the measure. Comments on the measure were received from DBEDT.

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 concurs with the intent and purpose of H.R. No. 157 and recommends that it be referred to the Committee on Tourism.

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

**SCRep. 1207-96 Public Safety and Military Affairs on H.C.R. No. 155**

The purpose of this concurrent resolution is to support the efforts of Hawaii's Congressional Delegation and the U.S.S. Missouri Memorial Association, Inc. in homeporting the U.S.S. Missouri at Battleship Row in Pearl Harbor.

Additionally, this concurrent resolution requests:

- (1) The Legislative Reference Bureau to review current laws limiting the issuance of special purpose revenue bonds; and
- (2) The Department of Business, Economic Development, and Tourism (DBEDT) to analyze the impact of expanding the use of special purpose revenue bonds to include the development of infrastructure for the U.S.S. Missouri and for public use visitor industry infrastructure in general.

Testimony in support of this measure was received from the U.S.S. Missouri Memorial Association, Inc., the Veterans of Foreign Wars, and the Hawaii Business Roundtable. The Office of Veterans Services submitted testimony in support of the intent of the measure. Comments on the measure were received from DBEDT.

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 concurs with the intent and purpose of H.C.R. No. 155 and recommends that it be referred to the Committee on Tourism.

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

**SCRep. 1208-96 Human Services on H.R. No. 135**

The purpose of this measure is to study the feasibility of implementing a parent education course for expecting parents.

The Department of Human Services submitted testimony in regards to this particular measure. Two concerned citizens submitted testimony in support of this measure.

Your Committee finds that parent education and training is an important step towards addressing the physical, intellectual, and emotional needs of our children. Additionally, with the increase of teenage pregnancy, many young parents are unprepared to face their new challenge of parenthood, leaving their idealistic dreams of raising a child shattered by the great responsibilities of caring for a newborn. They may find that their learned parenting skills are

inadequate in dealing with the current hardships and struggles of high cost of living, unemployment and single parenthood.

Your Committee concurs that we must all take responsibility for our children. Thus, by educating expecting parents, we are ensuring the future success of all children.

Your Committee has amended this House Resolution by:

- (1) Changing the description line to read "requesting the Good Beginnings Alliance to assist in publicizing and enhancing parent education and training;
- (2) Inserting another "whereas" line explaining that substantial research and materials have already been developed in regards to parent education and training;
- (3) Deleting the Director of Human Services as the convener of the task force, and inserting the Good Beginnings Alliance in its place.
- (4) Requesting the Good Beginnings Alliance to assist the task force in publicizing and enhancing parent education and training;
- (5) Requesting the Good Beginnings Alliance to submit a report of its efforts to publicize and enhance parent education and training; 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 135, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 135, H.D. 1.

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

**SCRep. 1209-96 Human Services on H.C.R. No. 134**

The purpose of this measure is to study the feasibility of implementing a parent education course for expecting parents.

The Department of Human Services submitted testimony in regards to this particular measure. Two concerned citizens submitted testimony in support of this measure.

Your Committee finds that parent education and training is an important step towards addressing the physical, intellectual, and emotional needs of our children. Additionally, with the increase of teenage pregnancy, many young parents are unprepared to face their new challenge of parenthood, leaving their idealistic dreams of raising a child shattered by the great responsibilities of caring for a newborn. They may find that their learned parenting skills are inadequate in dealing with the current hardships and struggles of high cost of living, unemployment and single parenthood.

Your Committee concurs that we must all take responsibility for our children. Thus, by educating expecting parents, we are ensuring the future success of all children.

Your Committee has amended this House Concurrent Resolution by:

- (1) Changing the description line to read "requesting the Good Beginnings Alliance to assist in publicizing and enhancing parent education and training;
- (2) Inserting another "whereas" line explaining that substantial research and materials have already been developed in regards to parent education and training;
- (3) Deleting the Director of Human Services as the convener of the task force, and inserting the Good Beginnings Alliance in its place.
- (4) Requesting the Good Beginnings Alliance to assist the task force in publicizing and enhancing parent education and training;
- (5) Requesting the Good Beginnings Alliance to submit a report of its efforts to publicize and enhance parent education and training; 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 134, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 134, H.D. 1.

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

**SCRep. 1210-96 Economic Development and Business Concerns on H.R. No. 70**

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to work in cooperation with other public and private entities to study proposals for economic development and diversification with respect to the County of Hawaii in the following areas:

- (1) Diversified agricultural products;
- (2) High technology development;
- (3) Cottage industries; and
- (4) Diversified tourism and ecotourism.

The DBEDT submitted testimony in support of this measure.

Upon consideration, your Committee has amended this resolution by:

- (1) Deleting references to a study throughout the measure, and thereby amending the title of the resolution to read: "REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO EXAMINE WAYS TO DEVELOP AND IMPROVE THE ECONOMY OF THE BIG ISLAND";
- (2) Including the development of alternative fuel as a proposal to utilize vacant sugar lands, and deleting reference to the resale of the sugar lands and short-rotation, fast growth tree crops;
- (3) Deleting the request for DBEDT to maximize the involvement and participation of County of Hawaii residents in the development of economic development activities through seminars and public hearings;
- (4) Requesting DBEDT to submit a report, rather than findings and recommendations, to the Legislature;
- (5) Deleting references to the Kamehameha Schools/Bishop Estate; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

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 concurs with the intent and purpose of H.R. No. 70, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 70, H.D. 1.

Signed by all members of the Committee except Representative Morihara.

**SCRep. 1211-96 Economic Development and Business Concerns on H.C.R. No. 62**

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to work in cooperation with other public and private entities to study proposals for economic development and diversification with respect to the County of Hawaii in the following areas:

- (1) Diversified agricultural products;
- (2) High technology development;
- (3) Cottage industries; and
- (4) Diversified tourism and ecotourism.

The DBEDT submitted testimony in support of this measure.

Upon consideration, your Committee has amended this concurrent resolution by:

- (1) Deleting references to a study throughout the measure, and thereby amending the title of the concurrent resolution to read: "REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO EXAMINE WAYS TO DEVELOP AND IMPROVE THE ECONOMY OF THE BIG ISLAND";
- (2) Including the development of alternative fuel as a proposal to utilize vacant sugar lands, and deleting reference to the resale of the sugar lands and short-rotation, fast growth tree crops;
- (3) Deleting the request for DBEDT to maximize the involvement and participation of County of Hawaii residents in the development of economic development activities through seminars and public hearings;
- (4) Requesting DBEDT to submit a report, rather than findings and recommendations, to the Legislature;
- (5) Deleting references to the Kamehameha Schools/Bishop Estate; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

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 concurs with the intent and purpose of H.C.R. No. 62, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 62, H.D. 1.

Signed by all members of the Committee except Representative Morihara.

**SCRep. 1212-96 Health on H.R. No. 58**

The purpose of this resolution is to:

- (1) Urge the Department of Health to actively assist and support mental health self-help and support groups; and
- (2) Support the creation and expansion of mental health self-help and support groups to promote better mental health throughout the State.

Your Committee finds that self-help and support groups are often the most cost-effective services available to persons with a mental illness and their families. The services provided by these groups ultimately result in a decrease of the need for extensive mental health treatment and hospitalization.

The Committee discussion indicated a desire that the DOH take specific, concrete steps to actively assist and support self-help groups. Meeting places and staff assistance were mentioned as possibilities, but the Committee feels that the Department is in the best position to identify assistance it can provide within available resources.

Your Committee made a non-substantive amendment to this resolution for purposes of consistency 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 concurs with the intent and purpose of H.R. No. 58, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 58, H.D. 1.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 1213-96 Health on H.C.R. No. 49**

The purpose of this concurrent resolution is to:

- (1) Urge the Department of Health to actively assist and support mental health self-help and support groups; and
- (2) Support the creation and expansion of mental health self-help and support groups to promote better mental health throughout the State.

Your Committee finds that self-help and support groups are often the most cost-effective services available to persons with a mental illness and their families. The services provided by these groups ultimately result in a decrease of the need for extensive mental health treatment and hospitalization.

The Committee discussion indicated a desire that the DOH take specific, concrete steps to actively assist and support self-help groups. Meeting places and staff assistance were mentioned as possibilities, but the Committee feels that the Department is in the best position to identify assistance it can provide within available resources.

Your Committee made a non-substantive amendment to this concurrent resolution for purposes of consistency 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 concurs with the intent and purpose of H.C.R. No. 49, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 49, H.D. 1.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 1214-96 Health on H.R. No. 82**

The purpose of this resolution is to:

- (1) Request the implementation of the recommendations of the U.S. Public Health Service regarding HIV counseling and voluntary testing for pregnant women; and
- (2) Request that a study of the impact on these recommendations of the finding that AZT can reduce perinatal HIV transmission be conducted.

Testimony in support of this resolution was received from the Department of Health and the Hemophilia Foundation of Hawaii.

Your Committee finds that recent studies indicate that AZT given to pregnant women who are HIV positive may result in the baby being born HIV negative. Therefore, in an effort to reduce perinatal HIV transmission, your Committee believes it is necessary for the Department of Health to implement the guidelines put forth by the U.S. Public Health Service in the hope that perinatal HIV transmission will be reduced in our State.

The Department of Health expressed some concern in being able to fulfill the request to conduct a study on the impact of the U.S. Public Health Service's recommendations due to the low numbers of HIV infected pregnant women in Hawaii. The Department stated that such a study would be more appropriately conducted by the Center for Disease Control.

In response to the above concern, your Committee has amended this resolution by:

- (1) Removing the request that the Department of Health conduct a study on the impact of the U.S. Public Health Service's recommendations.
- (2) Removing the following from the title: "and a study of the impact on these recommendations of the finding that AZT can reduce perinatal HIV transmission."

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 82, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 82, H.D. 1.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 1215-96 Health on H.C.R. No. 77**

The purpose of this concurrent resolution is to:

- (1) Request the implementation of the recommendations of the U.S. Public Health Service regarding HIV counseling and voluntary testing for pregnant women; and
- (2) Request that a study of the impact on these recommendations of the finding that AZT can reduce perinatal HIV transmission be conducted.

Testimony in support of this concurrent resolution was received from the Department of Health and the Hemophilia Foundation of Hawaii.

Your Committee finds that recent studies indicate that AZT given to pregnant women who are HIV positive may result in the baby being born HIV negative. Therefore, in an effort to reduce perinatal HIV transmission, your Committee believes it is necessary for the Department of Health to implement the guidelines put forth by the U.S. Public Health Service in the hope that perinatal HIV transmission will be reduced in our State.

The Department of Health expressed some concern in being able to fulfill the request to conduct a study on the impact of the U.S. Public Health Service's recommendations due to the low numbers of HIV infected pregnant women in Hawaii. The Department stated that such a study would be more appropriately conducted by the Center for Disease Control.

In response to the above concern, your Committee has amended this concurrent resolution by:

- (1) Removing the request that the Department of Health conduct a study on the impact of the U.S. Public Health Service's recommendations.
- (2) Removing the following from the title: "and a study of the impact on these recommendations of the finding that AZT can reduce perinatal HIV transmission."

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 77, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 77, H.D. 1.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 1216-96 Public Safety and Military Affairs on H.R. No. 310**

The purpose of this measure is to request that the Department of Public Safety conduct a feasibility study which would have as its focus, a community service work program for inmates in medium custody.

Testimony in support of this resolution stressed the importance of the development of rehabilitative strategies. In its deliberations, your Committee recognized the necessity for the establishment of priorities regarding supervision of differing custody levels, consistency with budgetary constraints, the need to insure public safety as well as to provide community service opportunities to 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 concurs with the intent and purpose of H.R. No. 310 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

**SCRep. 1217-96 Public Safety and Military Affairs on H.C.R. No. 344**

The purpose of this measure is to request that the Department of Public Safety conduct a feasibility study which would have as its focus, a community service work program for inmates in medium custody.

Testimony in support of this resolution stressed the importance of the development of rehabilitative strategies. In its deliberations, your Committee recognized the necessity for the establishment of priorities regarding supervision of differing custody levels, consistency with budget constraints, the need to insure public safety as well as to provide community service opportunities to 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 concurs with the intent and purpose of H.C.R. No. 344 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

**SCRep. 1218-96      Agriculture on H.R. No. 69**

The purpose of this resolution is to request a study on the establishment of post-harvest warehousing and treatment facilities to facilitate the export and marketing of Hawaii-grown crops.

Your Committee recognizes that one of the biggest impediments to expanding the export of Hawaii-grown crops is the local infestation by fruit flies and other agricultural pests, which makes it difficult for the State to transport Hawaii's crops overseas for sale.

Your Committee also recognizes that the treatment of Hawaii-grown crops would dramatically open Hawaii's agricultural industry to overseas markets and would be a boon to agricultural interests in the State.

Testimony in support of the intent and purpose of this measure 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 concurs with the intent and purpose of H.R. No. 69 and recommends that it be referred to the Committee on Legislative Management.

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

**SCRep. 1219-96      Agriculture on H.C.R. No. 60**

The purpose of this concurrent resolution is to request a study on the establishment of post-harvest warehousing and treatment facilities to facilitate the export and marketing of Hawaii-grown crops.

Your Committee recognizes that one of the biggest impediments to expanding the export of Hawaii-grown crops is the local infestation by fruit flies and other agricultural pests, which makes it difficult for the State to transport Hawaii's crops overseas for sale.

Your Committee also recognizes that the treatment of Hawaii-grown crops would dramatically open Hawaii's agricultural industry to overseas markets and would be a boon to agricultural interests in the State.

Testimony in support of the intent and purpose of this measure 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 concurs with the intent and purpose of H.C.R. No. 60 and recommends that it be referred to the Committee on Legislative Management.

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

**SCRep. 1220-96      Agriculture on H.R. No. 60**

The purpose of this resolution is to request the United States Department of Agriculture to:

- (1) Conduct a comprehensive entomological study of agricultural pests to update the last comprehensive survey conducted in 1956; and
- (2) Revise the federal quarantine regulations in accordance with the findings of the survey.

Your Committee recognizes the lack of recent data on agricultural pests in the Micronesian states, the Territory of Guam, and the Commonwealth of the Northern Marianas Islands, and that updated data are critical to protecting Hawaii from the potential disastrous effects of these pests.

Testimony in support of this measure was given by the Senator of the Ninth Senatorial District.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 60 and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs.

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

**SCRep. 1221-96      Agriculture on H.C.R. No. 51**

The purpose of this concurrent resolution is to request the United States Department of Agriculture to:

- (1) Conduct a comprehensive entomological study of agricultural pests to update the last comprehensive survey conducted in 1956; and
- (2) Revise the federal quarantine regulations in accordance with the findings of the survey.

Your Committee recognizes the lack of recent data on agricultural pests in the Micronesian states, the Territory of Guam, and the Commonwealth of the Northern Marianas Islands, and that updated data are critical to protecting Hawaii from the potential disastrous effects of these pests.

Testimony in support of this measure was given by the Senator of the Ninth Senatorial District.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 51 and recommends that it be referred to the Committee on Intergovernmental Relations and International Affairs.

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

**SCRep. 1222-96 Public Safety and Military Affairs on H.C.R. No. 244**

The purpose of this resolution is to request the University of Hawaii Board of Regents to grant tuition waivers to Hawaii National Guard personnel.

Your Committee received testimonies in support of this resolution from the State of Hawaii Department of Defense and a member of the Hawaii National Guard. The University of Hawaii testified that it is in support of scholarships for the Hawaii National Guard, but does not support HCR 244. The University of Hawaii stated that the intent of the concurrent resolution is not consistent with Act 161, which repealed these waivers and requires legislatively mandated tuition waivers to be funded by general funds.

Upon careful consideration, your Committee has amended the concurrent resolution to affirm the continuing need to support tuition assistance for members of the Hawaii National Guard. Your Committee feels that educational benefits are important to the longevity of the Hawaii National Guard and its ability to accomplish its mission.

Your Committee has further amended this concurrent resolution by making technical, non-substantive amendments.

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 concurs with the intent and purpose of H.C.R. No. 244, as amended herein, and recommends that it be referred to the Committee on Higher Education and the Arts, in the form attached hereto as H.C.R. No. 244, H.D. 1.

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

**SCRep. 1223-96 Higher Education and the Arts on H.R. No. 267**

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study on the feasibility of an optional retirement plan for University of Hawaii employees.

The University of Hawaii Professional Assembly submitted testimony in support of this measure. The University of Hawaii submitted comments on this measure.

Your Committee notes that the University of Hawaii did present an administration bill on this issue that earlier passed out of this Committee.

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 concurs with the intent and purpose of H.R. No. 267 and recommends that it be referred to the Committee on Legislative Management.

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

**SCRep. 1224-96 Higher Education and the Arts on H.C.R. No. 276**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study on the feasibility of an optional retirement plan for University of Hawaii employees.

The University of Hawaii Professional Assembly submitted testimony in support of this measure. The University of Hawaii submitted comments on this measure.

Your Committee notes that the University of Hawaii did present an administration bill on this issue that earlier passed out of this Committee.

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 concurs with the intent and purpose of H.C.R. No. 276 and recommends that it be referred to the Committee on Legislative Management.

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

**SCRep. 1225-96 Energy and Environmental Protection on H.R. No. 202**

The purpose of this House Resolution is to direct the Department of Health to promulgate specific criteria that would determine if an existing cesspool is functioning properly. The Resolution goes further to resolve that homeowners not be required to replace existing cesspools with a septic tank unless it can be clearly demonstrated that the existing cesspool is not functioning properly and is a confirmed health hazard.

The State has set a goal of eliminating the use of cesspools by the year 2000. However, it is obvious that the municipal governments will not have the wastewater infrastructure or the resources to connect all residential areas of Hawaii onto sewer systems. This problem affects the outlying rural areas such as the North Shore, Waimanalo, and neighbor islands in particular. Homeowners are often faced with being required to upgrade their cesspools to septic tank technology when making property improvements despite the continued functionality of the cesspool. In addition, septic tank technology continues to be known for its suspect reliability.

Your Committee finds that the present regulations that require an upgrade to septic tank technology under certain conditions may be unduly burdensome to some residents. As an example, cesspool upgrades are required in some areas solely upon its geographic location without regard to the functionality of the cesspool or effect on the environment.

After careful consideration, your Committee has amended the resolution's final "be it resolved" clause to direct the Department of Health to amend its regulations to reflect allowing a permittee to be exempted from the upgrade requirements if the permittee can demonstrate that his/her cesspool is functioning properly and is therefore not a hazard to environmental quality or public health.

Your Committee has also amended this resolution by making technical and non-substantive revisions for grammar, style, and clarity.

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 concurs with the intent and purpose of H.R. No. 202, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 202, H.D. 1.

Signed by all members of the Committee except Representatives Kanoho, Santiago and Takamine.

**SCRep. 1226-96      Energy and Environmental Protection on H.C.R. No. 204**

The purpose of this House Concurrent Resolution is to direct the Department of Health to promulgate specific criteria that would determine if an existing cesspool is functioning properly. The concurrent resolution goes further to resolve that homeowners not be required to replace existing cesspools with a septic tank unless it can be clearly demonstrated that the existing cesspool is not functioning properly and is a confirmed health hazard.

The State has set a goal of eliminating the use of cesspools by the year 2000. However, it is obvious that the municipal governments will not have the wastewater infrastructure or the resources to connect all residential areas of Hawaii onto sewer systems. This problem affects the outlying rural areas such as the North Shore, Waimanalo, and neighbor islands in particular. Homeowners are often faced with being required to upgrade their cesspools to septic tank technology when making property improvements despite the continued functionality of the cesspool. In addition, septic tank technology continues to be known for its suspect reliability.

Your Committee finds that the present regulations that require an upgrade to septic tank technology under certain conditions may be unduly burdensome to some residents. As an example, cesspool upgrades are required in some areas solely upon its geographic location without regard to the functionality of the cesspool or effect on the environment.

After careful consideration, your Committee has amended the concurrent resolution's final "be it resolved" clause to direct the Department of Health to amend its regulations to reflect allowing a permittee to be exempted from the upgrade requirements if the permittee can demonstrate that his/her cesspool is functioning properly and is therefore not a hazard to environmental quality or public health.

Your Committee has also amended this concurrent resolution by making technical and non-substantive revisions for grammar, style, and clarity.

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 concurs with the intent and purpose of H.C.R. No. 204, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 204, H.D. 1.

Signed by all members of the Committee except Representatives Kanoho, Santiago and Takamine.

**SCRep. 1227-96      Energy and Environmental Protection on H.R. No. 295**

The purpose of this House Resolution is to request the Public Utilities Commission to include renewable energy portfolio standards within its electric utility integrated resources planning requirements.

Your Committee received testimony in favor of this resolution from the Division of Consumer Advocacy, Inter-Island Solar Supply, and the Hawaii Renewable Energy Alliance.

Testimony in opposition to this resolution was received from Hawaiian Electric Company Inc.

Your Committee finds that despite the State's policy of supporting the development and utilization of renewable energy resources, very little has been realized in the effort toward energy self-sufficiency. Your Committee further finds that renewable energy portfolio standards within the resource planning requirements is an appropriate benchmark towards attaining this goal.

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 concurs with the intent and purpose of H.R. No. 295 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Kanoho, Santiago and Takamine.  
(Representative Meyer voted no.)

**SCRep. 1228-96 Energy and Environmental Protection on H.C.R. No. 322**

The purpose of this House Concurrent Resolution is to request the Public Utilities Commission to include renewable energy portfolio standards within its electric utility integrated resources planning requirements.

Your Committee received testimony in favor of this House Concurrent Resolution from the Division of Consumer Advocacy, Inter-Island Solar Supply, and the Hawaii Renewable Energy Alliance.

Testimony in opposition to this House Concurrent Resolution was received from Hawaiian Electric Company Inc.

Your Committee finds that despite the State's policy of supporting the development and utilization of renewable energy resources, very little has been realized in the effort toward energy self-sufficiency. Your Committee further finds that renewable energy portfolio standards within the resource planning requirements is an appropriate benchmark towards attaining this goal.

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 concurs with the intent and purpose of H.C.R. No. 322 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Kanoho, Santiago and Takamine.  
(Representative Meyer voted no.)

**SCRep. 1229-96 Energy and Environmental Protection on H.R. No. 17**

The purpose of this resolution is to urge the Governor to support the pest eradication and prevention efforts of the Coordinating Group on Alien Pest Species (CGAPS).

Testimony in favor of the resolution was received from the State Department of Agriculture and the Nature Conservancy of Hawaii. There was no testimony submitted in opposition to the resolution.

Your Committee finds that alien pest species pose a very serious environmental and economic threat to Hawaii. Your Committee also finds that the Legislature has on numerous occasions, expressed its support for continued prevention and eradication of alien pest species in Hawaii.

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 concurs with the intent and purpose of H.R. No. 17 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1230-96 Energy and Environmental Protection on H.C.R. No. 16**

The purpose of this concurrent resolution is to urge the Governor to support the pest eradication and prevention efforts of the Coordinating Group on Alien Pest Species (CGAPS).

Testimony in favor of the concurrent resolution was received from the State Department of Agriculture and the Nature Conservancy of Hawaii. There was no testimony submitted in opposition to the concurrent resolution.

Your Committee finds that alien pest species pose a very serious environmental and economic threat to Hawaii. Your Committee also finds that the Legislature has on numerous occasions, expressed its support for continued prevention and eradication of alien pest species in Hawaii.

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 concurs with the intent and purpose of H.C.R. No. 16 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1231-96 Energy and Environmental Protection on H.R. No. 97**

The purpose of this resolution is to direct the Department of Health to utilize all funding sources (notwithstanding legality) and their laboratory to conduct water sample testing (in lowest parts per trillion) for nitrates, water-borne diseases, and trihalomethanes in wells throughout the state. It further directs the Department of Health to make available all results and ancillary information arising from such testing within a period of seven days.

The Department of Health testified in opposition to the resolution citing fiscal constraints, and the unrealistic and "inappropriate" nature of the goals and directives set forth within.

Testimony in support of the resolution was received from a concerned citizen.

Your Committee has amended the resolution by:

- (1) Directing the Department of Health to return to sensitive water testing methods for chemicals, nitrates, and water-borne diseases previously detected in Hawaii's drinking water sources and to test for trihalomethanes only where drinking water is chlorinated;
- (2) Directing the Department of Health to make available all confirmed water testing results in a time frame prescribed by state and federal regulations; and
- (3) Directing the Department of Health to update and furnish well maps describing the location of contaminants and to make available to the public, in a manner both easily discernable and readily accessible, drinking water quality data.

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

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 concurs with the intent and purpose of H.R. No. 97, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 97, H.D.1.

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

**SCRep. 1232-96 Energy and Environmental Protection on H.C.R. No. 92**

The purpose of this concurrent resolution is to direct the Department of Health to utilize all funding sources (notwithstanding legality) and their laboratory to conduct water sample testing (in lowest parts per trillion) for nitrates, water-borne diseases, and trihalomethanes in wells throughout the state. It further directs the Department of Health to make available all results and ancillary information arising from such testing within a period of seven days.

The Department of Health testified in opposition to the concurrent resolution citing fiscal constraints, and the unrealistic and "inappropriate" nature of the goals and directives set forth within.

Testimony in support of the concurrent resolution was received from a concerned citizen.

Your Committee has amended the concurrent resolution by:

- (1) Directing the Department of Health to return to sensitive water testing methods for chemicals, nitrates, and water-borne diseases previously detected in Hawaii's drinking water sources, and to test for trihalomethanes only where drinking water is chlorinated;
- (2) Directing the Department of Health to make available all confirmed water testing results in a time frame prescribed by state and federal regulations; and
- (3) Directing the Department of Health to update and furnish well maps describing the location of contaminants and to make available to the public, in a manner both easily discernable and readily accessible, drinking water quality data.

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

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 concurs with the intent and purpose of H.C.R. No. 92, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 92, H.D.1.

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

**SCRep. 1233-96 Energy and Environmental Protection on H.R. No. 249**

The purpose of this House Resolution is to request that the Department of Health evaluate all active and inactive incinerators to determine the extent to which the surrounding areas have been contaminated with dioxin and develop a Dioxin Risk Assessment.

Your Committee received testimony in support of the measure from The Conservation Council for Hawaii (CCH). The CCH testimony cited the various health risks posed by dioxin and reported that the latest studies from EPA show dioxin to be far more dangerous than ever before realized.

The Department of Health (DOH) submitted testimony supporting the intent of the measure noting, however, that current staffing shortages would, in all likelihood, prevent them from conducting the study before the 1997 Regular Session. The Department recommended that, should the staffing problems be resolved, the resolution be passed with the following amendments:

- (1) Limit the scope of the study to either the Waipahu, Kapalama, or Kakaako Incinerator area; and
- (2) Extend the time frame of the study since the initial work cannot be completed before the convening of the Regular Session of 1997.

In light of these recommendations, your Committee has amended the House Resolution by:

- (1) Limiting the proposed study to one or more incinerator areas; and

- (2) Requesting that DOH submit a preliminary report to the Legislature prior to the convening of the 1997 Regular Session and submit the final draft of the Dioxin Risk Assessment before the 1998 Regular Session of the Hawaii State Legislature.

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 concurs with the intent and purpose of H.R. No. 249, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 249, H.D. 1.

Signed by all members of the Committee except Representatives Kanofo, Santiago and Takamine.  
(Representative Meyer voted no).

**SCRep. 1234-96 Energy and Environmental Protection on H.C.R. No. 258**

The purpose of this House Concurrent Resolution is to request that the Department of Health evaluate all active and inactive incinerators to determine the extent to which the surrounding areas have been contaminated with dioxin and develop a Dioxin Risk Assessment.

Your Committee received testimony in support of the measure from The Conservation Council for Hawaii (CCH). The CCH testimony cited the various health risks posed by dioxin and reported that the latest studies from EPA show dioxin to be far more dangerous than ever before realized.

The Department of Health (DOH) submitted testimony supporting the intent of the measure noting, however, that current staffing shortages would, in all likelihood, prevent them from conducting the study before the 1997 Regular Session. The Department recommended that, should the staffing problems be resolved, the concurrent resolution be passed with the following amendments:

- (1) Limit the scope of the study to either the Waipahu, Kapalama, or Kakaako Incinerator area; and
- (2) Extend the time frame of the study since the initial work cannot be completed by the convening of the 1997 Legislative Session.

In light of these recommendations, your Committee has amended the House Concurrent Resolution by:

- (1) Limiting the proposed study to one or more incinerator areas; and
- (2) Requesting that DOH submit a preliminary report to the Legislature prior to the convening of the 1997 Regular Session and submit the final draft of the Dioxin Risk Assessment before the 1998 Regular Session of the Hawaii State Legislature.

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 concurs with the intent and purpose of H.C.R. No. 258, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 258, H.D. 1.

Signed by all members of the Committee except Representatives Kanofo, Santiago and Takamine.  
(Representative Meyer voted no.)

**SCRep. 1235-96 Judiciary on S.B. No. 2685**

The purpose of this bill, as received by your Committee, is to delete the State Archives as one of the designated depositories for state and county publications.

Your Committee received supporting testimony from a representative of the Department of Accounting and General Services. The Department's testimony emphasized the duplication of collection and cataloging efforts by the State Archives and the larger library systems at the University of Hawaii and the Hawaii State Public Library.

It is the finding of your Committee that the present function of the State Archives as a designated depository for state and county publications is duplicative of efforts as the function is adequately fulfilled by other state agencies.

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 S.B. No. 2685 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 White, Cachola, Hamakawa, Herkes, Menor, Saiki and Yoshinaga.

**SCRep. 1236-96 Judiciary on S.B. No. 2186**

The purpose of this bill, as received by your Committee, is to:

- (1) Provide a definition of "owner" for the offense of unauthorized control of a propelled vehicle; and
- (2) Eliminate the affirmative defense provided by law relating to that offense.

Your Committee received testimony in opposition to this bill and in support of a similar bill, H.B. No. 3043, H.D. 1, from representatives of the Department of the Prosecuting Attorney of the City and County of Honolulu and the Honolulu

Police Department. The Public Defender and a representative of the Consumer Lawyers of Hawaii opposed the elimination of the affirmative defense.

Accordingly, your Committee has amended this bill by deleting the definition of "owner" provided in the measure and inserting therefor the definition contained in H.B. No. 3043, H.D. 1. It is the opinion of your Committee that the House bill's definition is much clearer and will address the problems of law enforcement more effectively than the original definition contained in this measure.

In addition, as it is not the intention of your Committee to make a felon out of a person who innocently accepts the word of an agent in lawful possession of a vehicle that the agent had the permission of the vehicle's owner to permit others to operate the vehicle, your Committee has included an affirmative defense to cover such a scenario.

Your Committee has further amended this measure by:

- (1) Making necessary revisions to the purpose clause in section 1 of the bill; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2186, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2186, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Hamakawa, Menor and Saiki.

**SCRep. 1237-96      Judiciary on S.B. No. 2247**

The purpose of this bill, as received by your Committee, is to:

- (1) Increase the crime of manslaughter from a class B to a class A felony;
- (2) Make the defense of extreme mental or emotional disturbance an affirmative defense;
- (3) Require a temporary loss of control to employ the defense; and
- (4) Determine the reasonableness of the defendant's viewpoint from that of a reasonable person.

Your Committee received testimony in support of the bill from the Attorney General, Honolulu Prosecuting Attorney, Hawaii Women's Caucus, Hawaii State Commission on the Status Of Women, Parents and Children Together, Domestic Violence Clearinghouse, and a concerned citizen. The Public Defenders Office testified in opposition to the measure.

While in agreement with the intent to reclassify manslaughter from a class B felony to a class A felony, your Committee finds that probation should remain available as a sentencing option for those rare circumstances where any strong mitigating circumstances exist and has amended the bill accordingly.

In addition, your Committee has amended the measure to clarify that the reasonableness of the defendant's explanation is to be determined by the trier of fact from the viewpoint of a person in the defendant's situation under the circumstances as the defendant believed them to be. Also, your Committee has deleted the reference to an affirmative defense as the original language of the statute correctly describes the concept that certain facts, when proved, reduce murder to manslaughter.

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 S.B. No. 2247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2247, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives White, Cachola, Hamakawa, Herkes, Menor, Saiki and Yoshinaga.

**SCRep. 1238-96      Judiciary on S.B. No. 2326**

The purpose of this bill, as received, was to permit a police officer, with reasonable grounds to believe that a person has recently assaulted or threatened to assault a family or household member, to seize all firearms and ammunition in plain view or discovered pursuant to consensual search from the person's household.

Your Committee received testimony in support of this bill from representatives of the Department of Health, the Honolulu Police Department, the Domestic Violence Clearinghouse, and several private citizens. The Public Defender and representatives of Hawaii Citizens' Rights, the Ladies Involved in Firearms Education, the Hawaii Rifle Association, the National Rifle Association of America, the Hawaii Health Care Professionals for Responsible Gun Ownership, and a private citizen submitted testimony raising concerns about the bill.

Your Committee prefers H.B. No. 3216, H.D. 1, which is similar to this bill, and therefore amends this bill to conform it with the House version.

There are many points of differences between the House and Senate versions, including technical ones, but the substantive differences are as follows:

(A) Section 1:

The House version states the intent to require that seizure of firearms and ammunition be for the protection of the officer or any person upon whom the abuse or harm is inflicted.

(B) Section 2, adding a new section to chapter 134, Hawaii Revised Statutes (HRS):

- (1) The House version adds a provision permitting the police officer to seize firearms and ammunition that the officer had reasonable grounds to believe were used or threatened to be used in the commission of the assault or threat to assault a family or household member;
- (2) The Senate version permits the seizure of firearms and ammunition for the protection of the officer, victim or other persons, while the House version narrows seizure to the protection of the officer or victim;
- (3) The House version adds that the police officer will only give a receipt for the seized items if they were not seized as evidence and if they were lawfully possessed by the person; and
- (4) The House version deletes the qualification that the items to be returned if not seized as evidence be related to criminal charges brought as a result of the assault or threats against a family or household member.

(C) Section 3, amending section 709-906, HRS:

- (1) The House version of subsection (f) states the grounds for seizure rather than relating back to the new section 134-\_\_ HRS; and
- (2) The House version includes subsection (g) which provides that the police officer may seize firearms or ammunition in plain view or pursuant to a consensual search when the officer reasonably believes that such seizure is necessary for the protection of the officer or for the person against whom the abuse or harm was inflicted.

It is the intent of your Committee that victims of domestic violence not be disarmed. Your Committee believes that the Senate version allows the removal of firearms and ammunition from the household for the protection of the abuser. By making the seizure of the firearms or ammunition optional, and only for the protection of the police officer and the victim, it is your Committee's intent that the police use discretion in removing the weapon from the home and consider whether the safety of the victim requires that the victim maintain access to the firearm and ammunition.

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 S.B. No. 2326, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2326, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Hamakawa, Menor and Saiki.

**SCRep. 1239-96      Judiciary on S.B. No. 2381**

The purpose of this bill is to broaden the offense of "custodial interference in the first degree" to include the abduction and removal of a child from the state by any person without good cause in violation of a court order or before an order is issued.

Testimony in support of the bill was received by your Committee from representatives of the Department of the Attorney General, the Honolulu Police Department, the Hawaii State Bar Association, Hawaii Women's Political Caucus, Domestic Violence Clearinghouse, and a concerned citizen.

Your Committee finds that parents and relatives who wish to obtain physical custody of a child through self-help will enlist the aid of any willing person. Therefore, your Committee believes the definition of the person acting should be expanded. In addition the circumstance of a person acting before a court order is issued is included as an offense. A separate offense of "failure to report concealment of a child" is set out and the penalty specified.

Your Committee has amended this bill by:

- (1) Expanding the persons covered by the offense of "custodial interference in the first degree" to any person who acts without good cause;
- (2) Defining "good cause" for the purposes of this offense;
- (3) Establishing a separate criminal offense for the failure to report the concealment of a child; and
- (4) Making technical, nonsubstantive revisions 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 S.B. No. 2381, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2381, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives White, Cachola, Hamakawa, Herkes, Menor, Saiki and Yoshinaga.

**SCRep. 1240-96      Judiciary on S.B. No. 2888**

The purpose of this bill is to:

- (1) Modify the eligibility provisions for emergency release of certain pretrial detainees by the Director of Public Safety; and
- (2) Extend from 1996 to 1997, the authority of the Department of Public Safety to release certain pretrial inmates on an emergency basis.

Testimony in support of this measure was received from the Attorney General, the Department of Public Safety, and the American Civil Liberties Union of Hawaii. The Prosecuting Attorney of the City and County of Honolulu testified in opposition to this bill.

Your Committee has amended this bill by:

- (1) Deleting its contents and replacing it with the contents of H.B. No. 3544, H.D. 1. As amended, this bill extends the sunset date from June 30, 1996, to June 30, 1999; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2888, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2888, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Hamakawa, McMurdo, Menor and Saiki. (Representative Thielen voted no.)

**SCRep. 1241-96      Judiciary on S.B. No. 2929**

The purpose of this bill is to impose criminal penalties for the failure to secure a license under the general excise or tobacco tax provisions and to clarify who may be held criminally liable for certain state tax violations.

Testimony was received in support of the bill from the Department of Taxation, the Tax Foundation of Hawaii, and a concerned citizen.

Your Committee finds that it is only equitable that persons responsible for the payment of taxes owed by private legal entities be held criminally liable for various state tax violations the same as a private individual would be.

Your Committee has amended this measure to expand the bill's definition of person to include reference to the various forms of entities. Technical, nonsubstantive changes were also made 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 S.B. No. 2929, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2929, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives White, Hamakawa, Menor and Saiki.

**SCRep. 1242-96      Consumer Protection and Commerce on S.B. No. 2739**

The purpose of this bill is to clarify the gift certificate law.

Testimony in support of the measure was received from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, the Hawaii Food Service Industry Association, and the Retail Merchants of Hawaii.

Currently, the law requires that gift certificates be redeemable for at least one year, and up to two years if the certificate holder is unable to redeem the certificate during the first year. Since the law, in effect, requires a two year redemption period for gift certificates, the bill amends section 481B-13, HRS, by expressly establishing this requirement.

The bill also clarifies the definition of "gift certificate" by providing that this term applies to any writing for which the issuer has received payment for future purchases or delivery of goods or services. This definition excludes gift certificates distributed for promotional purposes or other types of complimentary gift certificates.

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 S.B. No. 2739, 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 Cachola, Hamakawa, Hiraki, Tom, White and Thielen.

**SCRep. 1243-96      Consumer Protection and Commerce on S.B. No. 2518**

The purpose of this bill is to:

- (1) Repeal the requirement that nondepository financial services loan companies (FSLCs) be incorporated in the State; and
- (2) Require that nondepository (FSLCs) not incorporated in this State maintain business records in Hawaii for examination purposes, or make their out-of-state records available for review by the Commissioner of Financial Institutions (Commissioner) upon written request.

Testimony in support of the bill was received from the Financial Institutions Division of the Department of Commerce and Consumer Affairs (DCCA), and Hawaii Financial Services Association, Inc. Comments on the measure were submitted by General Motors Acceptance Corporation (GMAC).

Currently, the Code of Financial Institutions (Code) requires that FSLCs be licensed and incorporated in the State. The purpose of this requirement is to facilitate DCCA's oversight of FSLCs' operations in Hawaii. This bill repeals the incorporation requirement for nondepository FSLCs, but enables DCCA to exercise its regulatory duties by requiring that a foreign nondepository FSLC:

- (1) Maintain in this State books and records relating to its business transactions for examination purposes; or
- (2) Make available for review books and records maintained out of the State within ten business days of a written request for review by the Commissioner.

Additionally, the bill authorizes the commissioner to impose fines for noncompliance.

Your Committee has amended the bill to address a related concern raised by GMAC. Currently, the Code requires that financial institutions that are wholly owned subsidiaries of a holding company incorporated in another state have a five member board of directors, of which at least one member shall be a Hawaii resident. For the larger foreign nondepository FSLCs that have operations in every state, including GMAC, the resident director requirement is impracticable and burdensome.

Accordingly, and consistent with the bill's repeal of the incorporation requirement for nondepository FSLCs, section 412:3-104, Hawaii Revised Statutes, is amended to exempt nondepository FSLCs from the requirement that a financial institution owned by a foreign holding company have a five member board of directors, including at least one resident director. The Commissioner has reviewed and approved this amendment.

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 S.B. No. 2518, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2518, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hamakawa, Hiraki, Tom, White and Thielen.

**SCRep. 1244-96 Consumer Protection and Commerce on S.B. No. 2729**

The purpose of this bill is to substantially reduce costs for both charitable organizations and the Business Registration Division (Division) of the Department of Commerce and Consumer Affairs by among other things, eliminating the requirement for charitable organizations to file registrations or exemptions with the Division.

Testimony in support of the measure was received from the Department of Commerce and Consumer Affairs, with recommended changes, and Legislative Information Services of Hawaii, Inc.

Currently, the 2,200 registrations on file with the Division represent a very small percentage of the estimated number of nonprofit organizations that are engaging in activities that require registration under state law. As a result, the Division must utilize substantial staff resources in relation to the registration and exemption requests and the handling of numerous inquiries regarding the law. The approximately \$22,000 raised by these filings do not cover the Division's costs related to these activities. Additionally, these charitable organizations file tax forms with the Internal Revenue Service. Since much of this information may be obtained from these records, the filings currently required under state law are not necessary.

Accordingly, this bill would amend chapter 467B, Hawaii Revised Statutes (HRS), relating to solicitation of funds from the public, by implementing the following:

- (1) Repealing section 467B-2, HRS, relating to filing requirements for charitable organizations;
- (2) Repealing the provisions within section 467B-3, HRS, which permit the Director of Commerce and Consumer Affairs (Director) to accept information filed by a charitable organization, professional fund-raising counsel, or professional solicitor, with the appropriate authority of another state in lieu of information required to be filed under chapter 467B, HRS. Additionally, repealing the provisions which permit the Director to grant filing exemptions for charitable organizations organized in another state. These provisions are unnecessary due to this bill's repealing of filing requirements;
- (3) Repealing section 467B-14, HRS, which requires that the Director publish an annual list of organizations which have filed statements with the Department. This section is unnecessary due to this bill's repealing of filing requirements; and

- (4) Revising section 467B-11, HRS, to exempt charitable organizations that receive less than an unspecified dollar amount in gross receipts during the preceding and current annual accounting period from filing documents with the Department rather than the current \$4000 specified in the statute.

Upon further consideration, your Committee has amended this bill by adopting the Division's recommendation to repeal section 467B-11, HRS, in its entirety. This recommendation has the resulting effect of conforming this bill to H.B. No. 3398, which was reported out earlier by your Committee. Accordingly, your Committee has amended this measure to repeal section 467B-11, HRS, which provides for the exemption of organizations from the filing requirements of section 467B-2, HRS. This amendment is premised upon the bill's repeal of the need to file under section 467B-2 HRS, which therefore eliminates the need to file for an exemption, rendering section 467B-11, HRS, appropriate for repeal.

Your Committee has also made additional technical, nonsubstantive changes 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 S.B. No. 2729, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2729, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Yoshinaga, Hamakawa, Hiraki, Tom and Thielen.

**SCRep. 1245-96 Consumer Protection and Commerce on S.B. No. 2746**

The purpose of this bill is to allow the use of certain terms in motor vehicle advertising which are not currently permitted by law.

The Department of Commerce and Consumer Affairs (DCCA) submitted testimony supporting the measure and recommending an amendment.

Currently, the law regarding motor vehicle advertising prohibits certain terms from being used, even in truthful statements by motor vehicle dealers. This is inconsistent with the fact that the use of some of these terms is regulated, but not prohibited, by administrative rules. This measure corrects this inconsistency.

Additionally, your Committee has adopted the position of the DCCA that the term "wholesale" is a misnomer in the context of a negotiated motor vehicle sale. Accordingly, your Committee has amended this bill by retaining the term "wholesale" as a prohibited term in motor vehicle advertising.

Your Committee has made additional technical, nonsubstantive changes 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 S.B. No. 2746, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2746, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hamakawa, Hiraki, Tom and Thielen.

**SCRep. 1246-96 Consumer Protection and Commerce on H.R. No. 50**

The purpose of this resolution is to request that each county adopt as part of its building code current standards for masonry and light-framed construction in high wind areas, as set forth in the 1991 edition of the Uniform Building Code.

The Hawaii Hurricane Relief Fund testified in support of this resolution.

Almost 7,000 single and multi-family housing units were destroyed or heavily damaged by high winds during Hurricane Iniki, sustaining major structural damage to roofs, walls, and foundations. Newer structures constructed with hurricane fasteners connecting roof systems to foundations fared better than older structures built without fasteners. The difference between the severity of the damage sustained by the older homes and that suffered by the more recently built homes illustrates the need for the counties to upgrade the building requirements for structures built in high wind areas.

Each county's building code is based upon the Uniform Building Code which is published by the International Conference of Building Officials and revised every three years. However, among the counties, building codes are not necessarily uniform, because they may incorporate different editions or provisions of the code.

The 1991 edition of the Uniform Building Code, as set out in Appendices 2425 and 2518, upgraded the standards for masonry and light-framed construction in high wind areas, requiring that buildings located in areas with a basic wind speed of between eighty to one hundred ten miles per hour be constructed with hurricane fasteners to reduce the risk of wind-induced damage. Your Committee finds that adoption of these standards by the counties would decrease the risk of structural damage to homes constructed in the future, and the risk of injury and damage to Hawaii's residents in the event of another hurricane. Adopting more stringent construction standards may also lead to long term reductions in property insurance costs.

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 concurs with the intent and purpose of H.R. No. 50 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, Herkes, Hiraki, Tom, White and Thielen.

**SCRep. 1247-96 Consumer Protection and Commerce on H.C.R. No. 40**

The purpose of this concurrent resolution is to request that each county adopt as part of its building code current standards for masonry and light-framed construction in high wind areas, as set forth in the 1991 edition of the Uniform Building Code.

The Hawaii Hurricane Relief Fund testified in support of this concurrent resolution.

Almost 7,000 single and multi-family housing units were destroyed or heavily damaged by high winds during Hurricane Iniki, sustaining major structural damage to roofs, walls, and foundations. Newer structures constructed with hurricane fasteners connecting roof systems to foundations fared better than older structures built without fasteners. The difference between the severity of the damage sustained by the older homes and that suffered by the more recently built homes illustrates the need for the counties to upgrade the building requirements for structures built in high wind areas.

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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 concurs with the intent and purpose of H.C.R. No. 40 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, Herkes, Hiraki, Tom, White and Thielen.

**SCRep. 1248-96 Consumer Protection and Commerce on H.R. No. 262**

The purpose of this resolution is to request the Hawaii Hurricane Relief Fund (HHRF) to study and report on the possibility of offering its participants the option of paying through monthly installments.

Testimony in support of the measure was received from a concerned citizen.

The HHRF was created by the State after Hurricane Iniki and other events affected the insurance market. The Legislature found that the availability of property insurance for hurricane damage was potentially unreliable and that homeowners were incurring difficulties in obtaining insurance. Furthermore, the orderly growth and economic welfare of the state was found to be significantly dependent on the availability of property insurance for losses in the event of another hurricane. The Legislature found that new and flexible mechanisms were necessary to provide homeowners with the opportunity to purchase hurricane insurance. Therefore, the Legislature passed Act 339, Session Laws of Hawaii 1993, which created the HHRF.

Under the current system, many homeowners who pay monthly mortgage payments are permitted to pay their HHRF insurance premiums in monthly installments through their mortgage escrow accounts. However, homeowners who are not paying a monthly mortgage are not provided with a mechanism to pay their HHRF insurance premiums in monthly installments. In many cases the resulting lump sum premium payment is prohibitive or burdensome and precludes the opportunity to purchase hurricane insurance.

Therefore, your Committee finds that this resolution has merit and thereby requests the HHRF to explore the possibility of providing for its participants (who are not currently provided a monthly payment option) the option to pay in monthly installments.

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 concurs with the intent and purpose of H.R. No. 262 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, Herkes, Hiraki, Tom, White and Thielen.

**SCRep. 1249-96 Consumer Protection and Commerce on H.C.R. No. 271**

The purpose of this concurrent resolution is to request the Hawaii Hurricane Relief Fund (HHRF) to study and report on the possibility of offering its participants the option of paying through monthly installments.

Testimony in support of the measure was received from a concerned citizen.

The HHRF was created by the State after Hurricane Iniki and other events affected the insurance market. The Legislature found that the availability of property insurance for hurricane damage was potentially unreliable and that homeowners were incurring difficulties in obtaining insurance. Furthermore, the orderly growth and economic welfare of the State was found to be significantly dependent on the availability of property insurance for losses in the event of another hurricane. The Legislature found that new and flexible mechanisms were necessary to provide homeowners with the opportunity to purchase hurricane insurance. Therefore, the Legislature passed Act 339, Session Laws of Hawaii 1993, which created the HHRF.

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Therefore, your Committee finds that this concurrent resolution has merit and thereby requests the HHRF to explore the possibility of providing for its participants (who are not currently provided a monthly payment option) the option to pay in monthly installments.

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 concurs with the intent and purpose of H.C.R. No. 271 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, Herkes, Hiraki, Tom, White and Thielen.

**SCRep. 1250-96 Consumer Protection and Commerce on H.R. No. 308**

The purpose of this resolution is to request that the Public Utilities Commission, in conjunction with various state agencies, the counties, utilities, and community groups, conduct a comprehensive study of the issue of overhead versus underground utility lines placement and formulate proposals for legislative and administrative action.

Testimony in support of the resolution was received from the Department of Transportation, Department of Health, GTE Hawaiian Telephone Incorporated, Hawaiian Electric Company Incorporated, and concerned citizens. The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (Consumer Advocate), and the Public Utilities Commission (PUC) offered comments on the resolution.

The issue of whether utility lines, including high-voltage electrical transmission lines, should be placed overhead or underground involves the consideration of many factors, including costs, economic and environmental impact, and public health and safety. Proponents of utility line undergrounding cite the potential health and safety risks posed by overhead lines, including exposure to electromagnetic field radiation, and the adverse impact on the State's natural resources and industries such as tourism. Concerns about the cost of placing utility facilities underground and the distribution of these costs have been raised as potential barriers to requiring underground placement. Therefore, any legislative action taken on this issue must be based on a full understanding of all of the relevant factors in order to achieve a balance between competing concerns.

Your Committee has amended the resolution by:

- (1) Requiring that the study include a consideration of the factors listed in H.R.S §269-27.6 relating to the overhead or underground construction of high-voltage electric transmission lines;
- (2) Designating the Consumer Advocate as one of the government entities to be consulted for the study;
- (3) Amending the deadline for the submission of the PUC's report from twenty days prior to the convening of the 1997 Legislature, to twenty days prior to the convening of the 1998 Legislature; and
- (4) Making technical, nonsubstantive changes to the text 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 concurs with the intent and purpose of H.R. No. 308, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 308, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Herkes, Hiraki, Tom, White and Thielen.

**SCRep. 1251-96 Consumer Protection and Commerce on H.C.R. No. 338**

The purpose of this concurrent resolution is to request that the Public Utilities Commission, in conjunction with various state agencies, the counties, utilities, and community groups, conduct a comprehensive study of the issue of overhead versus underground utility lines placement and formulate proposals for legislative and administrative action.

Testimony in support of the resolution was received from the Department of Transportation, Department of Health, GTE Hawaiian Telephone Incorporated, Hawaiian Electric Company Incorporated, and concerned citizens. The Division

of Consumer Advocacy of the Department of Commerce and Consumer Affairs (Consumer Advocate), and the Public Utilities Commission (PUC) offered comments on the resolution.

The issue of whether utility lines, including high-voltage electrical transmission lines, should be placed overhead or underground involves the consideration of many factors, including costs, economic and environmental impact, and public health and safety. Proponents of utility line undergrounding cite the potential health and safety risks posed by overhead lines, including exposure to electromagnetic field radiation, and the adverse impact on the State's natural resources and industries such as tourism. Concerns about the cost of placing utility facilities underground and the distribution of these costs have been raised as potential barriers to requiring underground placement. Therefore, any legislative action taken on this issue must be based on a full understanding of all of the relevant factors in order to achieve a balance between competing concerns.

Your Committee has amended the concurrent resolution by:

- (1) Requiring that the study include a consideration of the factors listed in H.R.S §269-27.6 relating to the overhead or underground construction of high-voltage electric transmission lines;
- (2) Designating the Consumer Advocate as one of the government entities to be consulted for the study;
- (3) Amending the deadline for the submission of the PUC's report from twenty days prior to the convening of the 1997 Legislature, to twenty days prior to the convening of the 1998 Legislature; and
- (4) Making technical, nonsubstantive changes to the text 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 concurs with the intent and purpose of H.C.R. No. 338, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 338, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Herkes, Hiraki, Tom, White and Thielen.

**SCRep. 1252-96 Consumer Protection and Commerce on H.R. No. 293**

The purpose of this resolution is to request that the Legislative Reference Bureau conduct a comprehensive study on the statewide conversion of utility lines from overhead to underground facilities.

Testimony in support of the resolution was received from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (Consumer Advocate), Department of Transportation, GTE Hawaiian Telephone Incorporated, Hawaiian Electric Company, Incorporated, and a concerned citizen.

Your Committee finds that underground utility lines are preferable to overhead facilities for reasons of public safety and aesthetics. However, prior to enacting legislation mandating the installation of underground facilities, other states' policies and programs should be examined, and the costs and economic impact of requiring underground facilities carefully studied.

Your Committee has adopted the recommendations of the Consumer Advocate and amended this resolution by requiring that the study include:

- (1) A comprehensive review of the costs and benefits of all proposals for underground utility facilities; and
- (2) An evaluation of the equitability of assessing the costs of underground placement against or between taxpayers, ratepayers, or shareholders.

The resolution has also been amended to require that the Legislative Reference Bureau submit a report on its findings, conclusions, and recommendations no later than twenty days before the convening of the Regular Session of 1997.

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 concurs with the intent and purpose of H.R. No. 293, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 293, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Herkes, Hiraki, Tom, White and Thielen.

**SCRep. 1253-96 Consumer Protection and Commerce on H.C.R. No. 320**

The purpose of this concurrent resolution is to request that the Legislative Reference Bureau conduct a comprehensive study on the statewide conversion of utility lines from overhead to underground facilities.

Testimony in support of the concurrent resolution was received from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (Consumer Advocate), Department of Transportation, GTE Hawaiian Telephone Incorporated, Hawaiian Electric Company, Incorporated, and a concerned citizen.

Your Committee finds that underground utility lines are preferable to overhead facilities for reasons of public safety and aesthetics. However, prior to enacting legislation mandating the installation of underground facilities, other states'

policies and programs should be examined, and the costs and economic impact of requiring underground facilities carefully studied.

Your Committee has adopted the recommendations of the Consumer Advocate and amended this concurrent resolution by requiring that the study include:

- (1) A comprehensive review of the costs and benefits of all proposals for underground utility facilities; and
- (2) An evaluation of the equitability of assessing the costs of underground placement against or between taxpayers, ratepayers, or shareholders.

The concurrent resolution has also been amended to require that the Legislative Reference Bureau submit a report on its findings, conclusions, and recommendations no later than twenty days before the convening of the Regular Session of 1997.

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 concurs with the intent and purpose of H.C.R. No. 320, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 320, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Herkes, Hiraki, Tom, White and Thielen.

**SCRep. 1254-96      Tourism on H.R. No. 132**

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to determine the feasibility of establishing a Hawaii Sports Commission, in cooperation with the Eagle International Group.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development and Tourism, Hawaii Pacific Sports Inc., and one concerned individual.

Your Committee finds that sports events in general provide tremendous tourism promotion benefits to Hawaii, especially those that generate large amounts of national and international news coverage. A greater role for Hawaii as an international sports center would improve the economy by diversifying the travel industry away from the casual vacation market.

A sports commission, if determined to be feasible, would help Hawaii in expanding its sports industry.

Your Committee revised this resolution by:

- (1) Changing the list of organizations and agencies the Department of Business, Economic Development, and Tourism is requested to work with to include other state agencies, such as the Department of Accounting and General Services, the University of Hawaii, the counties, Hawaii Pacific Sports Inc. and any other private and public sports organization in establishing a Hawaii Sports Commission, in addition to Eagle International Group; 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 concurs with the intent and purpose of H.R. No. 132, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 132, H.D. 1.

Signed by all members of the Committee except Representatives Chang and Lee.

**SCRep. 1255-96      Tourism on H.C.R. No. 131**

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to determine the feasibility of establishing a Hawaii Sports Commission, in cooperation with the Eagle International Group.

Your Committee received testimony in support of this concurrent resolution from the Department of Business, Economic Development and Tourism, Hawaii Pacific Sports Inc., and one concerned individual.

Your Committee finds that sports events in general provide tremendous tourism promotion benefits to Hawaii, especially those that generate large amounts of national and international news coverage. A greater role for Hawaii as an international sports center would improve the economy by diversifying the travel industry away from the casual vacation market.

A sports commission, if determined to be feasible, would help Hawaii in expanding its sports industry.

Your Committee revised this concurrent resolution by:

- (1) Changing the list of organizations and agencies the Department of Business, Economic Development, and Tourism is requested to work with to include other state agencies, such as the Department of Accounting and General Services, the University of Hawaii, the counties, Hawaii Pacific Sports Inc. and any other private and

public sports organization in establishing a Hawaii Sports Commission, in addition to Eagle International Group; 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 concurs with the intent and purpose of H.C.R. No. 131 as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 131, H.D. 1.

Signed by all members of the Committee except Representatives Chang and Lee.

**SCRep. 1256-96      Tourism on H.R. No. 287**

The purpose of this resolution is to request the Hawaii Visitors Bureau to:

- (1) Aggressively promote travel to the neighbor islands especially from Asia, and place special emphasis on markets in Taiwan and Korea;
- (2) Work closely with all of its chapters on the neighbor islands and with all of the respective visitor destination organizations on the neighbor islands;
- (3) Prepare a special detailed and comprehensive marketing plan for the promotion of travel to the neighbor islands in addition to its existing marketing plan; and
- (4) Submit this special plan to the Legislature at least thirty days before the convening of the Regular Session of 1997.

Your Committee received testimony as follows:

- (1) Hawaii County Office of the Mayor, Kauai County Council Committee on Intergovernmental Relations, the Hawaii Visitors Bureau, Destination Hilo, Aston Hotels and Resorts, and Hanalei Bay Resort, in support; and
- (2) Department of Business, Economic Development and Tourism, in comment.

Your Committee finds that eastbound travel, particularly from the developing Asian market, constitutes most of the recent increase in visitor arrivals, and that most of these travelers stayed on Oahu, resulting in only limited recovery on the neighbor islands.

The Hawaii Visitors Bureau has given priority to adjusting its promotion efforts to direct a greater number of visitors from the developing markets to the neighbor islands, but its efforts depend on adequate funding levels for its promotion campaigns.

In addition, it has made some organizational changes to give greater attention to neighbor island chapter concerns and is currently in the process of negotiating with its island chapters to increase their funding, to allow the neighbor islands to increase their individual promotions.

Passage of this resolution would reinforce bureau efforts in this direction.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 287 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Takai and White.

**SCRep. 1257-96      Tourism on H.C.R. No. 306**

The purpose of this concurrent resolution is to request the Hawaii Visitors Bureau to:

- (1) Aggressively promote travel to the neighbor islands especially from Asia, and place special emphasis on markets in Taiwan and Korea;
- (2) Work closely with all of its chapters on the neighbor islands and with all of the respective visitor destination organizations on the neighbor islands;
- (3) Prepare a special detailed and comprehensive marketing plan for the promotion of travel to the neighbor islands in addition to its existing marketing plan; and
- (4) Submit this special plan to the Legislature at least thirty days before the convening of the Regular Session of 1997.

Your Committee received testimony as follows:

- (1) Hawaii County Office of the Mayor, Kauai County Council Committee on Intergovernmental Relations, the Hawaii Visitors Bureau, Destination Hilo, Aston Hotels and Resorts, and Hanalei Bay Resort, in support; and
- (2) Department of Business, Economic Development and Tourism, in comment.

Your Committee finds that eastbound travel, particularly from the developing Asian market, constitutes most of the recent increase in visitor arrivals, and that most of these travelers stayed on Oahu, resulting in only limited recovery on the neighbor islands.

The Hawaii Visitors Bureau has given priority to adjusting its promotion efforts to direct a greater number of visitors from the developing markets to the neighbor islands, but its efforts depend on adequate funding levels for its promotion campaigns.

In addition, it has made some organizational changes to give greater attention to neighbor island chapter concerns and is currently in the process of negotiating with its island chapters to increase their funding, to allow the neighbor islands to increase their individual promotions.

Passage of this concurrent resolution would reinforce bureau efforts in this direction.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 306 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Takai and White.

**SCRep. 1258-96      Tourism on H.C.R. No. 242**

The purpose of this concurrent resolution is to urge the Hawaii Visitors Bureau to give greater emphasis to promotion of Hawaii as a retail shopping destination for visitors.

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

Your Committee finds that retail spending constitutes a considerable proportion of the overall expenditures of visitors, especially those from Japan. Hawaii already enjoys a high level of favorable awareness as a shopping destination for visitors, and greater development of this segment of the visitor market will help differentiate Hawaii from other sun-surf-sand destinations.

Changes to Japanese consumer spending patterns, away from fashion items and toward less traditional big-ticket items, however, will necessitate greater efforts by Hawaii to adjust its promotions and product offerings.

In order to ensure maximum retail promotion expertise, greater financial resources for its campaigns and adequate dissemination of visitor consumer spending information, the Hawaii Visitors Bureau should pursue greater representation of retail companies in its membership. In addition, the bureau should work closely with the Department of Business, Economic Development, and Tourism to facilitate the availability of retail activities to visitors, such as through coordination of transportation and itineraries, and possibly developing an airport retail complex using otherwise unused space, if feasible.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 242 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Takai and White.

**SCRep. 1259-96      Intergovernmental Relations and International Affairs on H.R. No. 56**

The purpose of this resolution is the request the Governor and the Department of Agriculture (DOA) to:

- (1) Expedite the plant import rulemaking process; and
- (2) Finalize the memorandum of agreement with the United States Department of Agriculture Animal and Plant Health Inspection Services (APHIS) for post-entry inspections of specific plant species.

Testimony in support of this measure was submitted by the Board of Agriculture which is currently working towards finalizing both tasks by the end of 1996. It was indicated that Chapter 4-70, Plant Import Rules, has been reviewed and was seeking approval by the BOA to hold public hearings, but this process was delayed by the inclusion of user fees and regulations on Christmas tree importation. Such substantial changes must be reviewed again before the process can proceed. The DOA also provided an additional outline of the process by which a revision becomes a rule.

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 concurs with the intent and purpose of H.R. No. 56 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hiraki.

**SCRep. 1260-96      Intergovernmental Relations and International Affairs on H.C.R. No. 45**

The purpose of this concurrent resolution is the request the Governor and the Department of Agriculture (DOA) to:

- (1) Expedite the plant import rulemaking process; and

- (2) Finalize the memorandum of agreement with the United States Department of Agriculture Animal and Plant Health Inspection Services (APHIS) for post-entry inspections of specific plant species.

Testimony in support of this measure was submitted by the Board of Agriculture which is currently working towards finalizing both tasks by the end of 1996. It was indicated that Chapter 4-70, Plant Import Rules, has been reviewed and was seeking approval by the BOA to hold public hearings, but this process was delayed by the inclusion of user fees and regulations on Christmas tree importation. Such substantial changes must be reviewed again before the process can proceed. The DOA also provided an additional outline of the process by which a revision becomes a rule.

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 concurs with the intent and purpose of H.C.R. No. 45 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hiraki.

**SCRep. 1261-96 Intergovernmental Relations and International Affairs on H.R. No. 13**

The purpose of this resolution is to request that the state, the city and county of Honolulu, the private sector, and the general public combine their resources and their efforts to restore a Hawaiian sense of place to Waikiki.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism (DBEDT); the Convention Center Authority (CCA); and the Office of the Managing Director of the City and County of Honolulu. It was expressed that at present, DBEDT and the City Office of Waikiki Development are working in conjunction to promote a Hawaiian sense of place in Waikiki. This resolution would support this effort.

Based on the recommendation of the Convention Center Authority, your Committee has amended this measure by deleting the paragraph referring to the CCA's required compliance to the Queen Emma Foundation's report regarding the aesthetic design and layout of the convention center's landscaping.

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 concurs with the intent and purpose of H.R. No. 13, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 13, H.D. 2.

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

**SCRep. 1262-96 Intergovernmental Relations and International Affairs on H.C.R. No. 12**

The purpose of this concurrent resolution is to request that the state, the city and county of Honolulu, the private sector, and the general public combine their resources and their efforts to restore a Hawaiian sense of place to Waikiki.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism (DBEDT); the Convention Center Authority (CCA); and the Office of the Managing Director of the City and County of Honolulu. It was expressed that at present, DBEDT and the City Office of Waikiki Development are working in conjunction to promote a Hawaiian sense of place in Waikiki. This concurrent resolution would support this effort.

Based on the recommendation of the Convention Center Authority, your Committee has amended this measure by deleting the paragraph referring to the CCA's required compliance to the Queen Emma Foundation's report regarding the aesthetic design and layout of the convention center's landscaping.

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 concurs with the intent and purpose of H.C.R. No. 12, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 12, H.D. 2.

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

**SCRep. 1263-96 Intergovernmental Relations and International Affairs on H.R. No. 34**

The purpose of this resolution is to urge the United States Congress to grant permanent status to the visa waiver program and extend the visa waiver program to other countries of Asia, particularly Taiwan and Korea, and request the members of Hawaii's congressional delegation to fully support the proposed extension and amendments to the visa waiver program.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; Mayor Jeremy Harris, and the Department of Transportation. It was indicated that at present, the visa waiver program is successful and is a great asset to tourism by making travel easier for Japanese visitors. However, the majority of countries which are eligible for the visa waiver are in Europe, a low market area for Hawaii, and many Asian countries which are Hawaii's greatest market sources are not eligible.

Your Committee agrees that it is important to promote the tourism industry and that this measure would be beneficial to that extent.

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 concurs with the intent and purpose of H.R. No. 34 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Hiraki.

**SCRep. 1264-96 Intergovernmental Relations and International Affairs on H.C.R. No. 27**

The purpose of this concurrent resolution is to urge the United States Congress to grant permanent status to the visa waiver program and extend the visa waiver program to other countries of Asia, particularly Taiwan and Korea, and request the members of Hawaii's congressional delegation to fully support the proposed extension and amendments to the visa waiver program.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; Mayor Jeremy Harris, and the Department of Transportation. It was indicated that at present, the visa waiver program is successful and is a great asset to tourism by making travel easier for Japanese visitors. However, the majority of countries which are eligible for the visa waiver are in Europe, a low market area for Hawaii, and many Asian countries which are Hawaii's greatest market sources are not eligible.

Your Committee agrees that it is important to promote the tourism industry and that this measure would be beneficial to that extent.

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 concurs with the intent and purpose of H.C.R. No. 27 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Hiraki.

**SCRep. 1265-96 Intergovernmental Relations and International Affairs on H.R. No. 122**

The purpose of this resolution is to request that the United States extend to the Native Hawaiians the same privileges that have been granted to the Native Americans and Alaskan Natives regarding federal financial programs and technical assistance.

Testimony in support of this measure was submitted by the Department of Hawaiian Home Lands (DHHL) and by the Office of Hawaiian Affairs (OHA). It was indicated that this resolution would support the issue of federal trust responsibilities and would seek broad access to federal programs.

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 concurs with the intent and purpose of H.R. No. 122, H.D. 1 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Hiraki.

**SCRep. 1266-96 Intergovernmental Relations and International Affairs on H.C.R. No. 117**

The purpose of this concurrent resolution is to request that the United States extend to the Native Hawaiians the same privileges that have been granted to the Native Americans and Alaskan Natives regarding federal financial programs and technical assistance.

Testimony in support of this measure was submitted by the Department of Hawaiian Home Lands (DHHL) and by the Office of Hawaiian Affairs (OHA). It was indicated that this concurrent resolution would support the issue of federal trust responsibilities and would seek broad access to federal programs.

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 concurs with the intent and purpose of H.C.R. No. 117, H.D. 1 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Hiraki.

**SCRep. 1267-96 Energy and Environmental Protection on H.R. No. 285**

The purpose of this resolution is to direct the Department of Health and Legislative Reference Bureau to conduct a study on standards and new technology that would assist with alleviating or abating urban construction noise.

Since the groundbreaking of the Hawaii Convention Center, area residents have complained of noise pollution caused by the Center's construction. While some of the complaints and criticisms stem from philosophical differences with the location selection and necessity of the Convention Center, there are residents that are genuinely affected by the excess construction noise.

Your Committee acknowledges that construction noise will be prevalent at any construction site and will cause some inconvenience to surrounding area residents. However, your Committee agrees that further research should be conducted to ascertain the available technology and standards that would help to minimize the inconveniences caused by urban construction noise.

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 concurs with the intent and purpose of H.R. No. 285 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1268-96 Energy and Environmental Protection on H.C.R. No. 304**

The purpose of this concurrent resolution is to direct the Department of Health and Legislative Reference Bureau to conduct a study on standards and new technology that would assist with alleviating or abating urban construction noise.

Since the groundbreaking of the Hawaii Convention Center, area residents have complained of noise pollution caused by the Center's construction. While some of the complaints and criticisms stem from philosophical differences with the location selection and necessity of the Convention Center, there are residents that are genuinely affected by the excess construction noise.

Your Committee acknowledges that construction noise will be prevalent at any construction site and will cause some inconvenience to surrounding area residents. However, your Committee agrees that further research should be conducted to ascertain the available technology and standards that would help to minimize the inconveniences caused by urban construction noise.

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 concurs with the intent and purpose of H.C.R. No. 304 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1269-96 Economic Development and Business Concerns on H.R. No. 78**

The purpose of this resolution is to request the Governor to encourage all state agencies involved in the maintenance of state properties to purchase and utilize soil enhancement materials manufactured and distributed in Hawaii.

These properties include state parks, public school campuses, state building premises, playgrounds, landscaped areas, and other areas of vegetation.

Your Committee recognizes that utilization of locally-manufactured soil enhancement materials by the public sector would be beneficial because it would:

- (1) Help support diversified industries and help local businesses;
- (2) Conserve landfill space;
- (3) Enhance green waste recycling; and
- (4) Be environmentally sound and supportive.

However, while environmental and other factors support the purchase and use of locally-manufactured soil enhancement materials, the cost-effectiveness of these materials is a consideration for government to justify using these materials based on a sound and prudent basis.

The Department of Land and Natural Resources, Hawaiian Earth Products, Ltd., and a private citizen submitted testimony in support of this measure.

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 concurs with the intent and purpose of H.R. No. 78 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1270-96 Economic Development and Business Concerns on H.C.R. No. 73**

The purpose of this concurrent resolution is to request the Governor to encourage all state agencies involved in the maintenance of state properties to purchase and utilize soil enhancement materials manufactured and distributed in Hawaii.

These properties include state parks, public school campuses, state building premises, playgrounds, landscaped areas, and other areas of vegetation.

Your Committee recognizes that utilization of locally-manufactured soil enhancement materials by the public sector would be beneficial because it would:

- (1) Help support diversified industries and help local businesses;
- (2) Conserve landfill space;
- (3) Enhance green waste recycling; and

- (4) Be environmentally sound and supportive.

However, while environmental and other factors support the purchase and use of locally-manufactured soil enhancement materials, the cost-effectiveness of these materials is a consideration for government to justify using these materials based on a sound and prudent basis.

The Department of Land and Natural Resources, Hawaiian Earth Products, Ltd., and a private citizen submitted testimony in support of this measure.

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 concurs with the intent and purpose of H.C.R. No. 73 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1271-96 Economic Development and Business Concerns on H.R. No. 301**

The purpose of this resolution, as received by your Committee, is to request the Legislative Reference Bureau (LRB) to:

- (1) Conduct a study that:
  - (a) Identifies and examines the economic problems and issues placed on Hawaii's businesses by "big box retailers"; and
  - (b) Proposes recommendations to best prepare local businesses to adapt and survive along with the large retailers; and
- (2) Report its findings and recommendations to the Legislature prior to the 1997 Regular Session.

Your Committee recognizes the highly competitive nature of Hawaii's retail industry, particularly as a result of the establishment of many large retail businesses and discount general merchandise chains to the State. The economic effects of these large retailers on local businesses and the local economy must be considered for the benefit of Hawaii's overall economy.

Testimony in support of the measure was submitted by Legislative Information Services of Hawaii, Inc. Comments were submitted by LRB and a private citizen.

Your Committee notes the testimony submitted by LRB, which indicated that the request in the resolution is not a policy study and that LRB has no experience or expertise in conducting a business consultancy study to determine appropriate competitive business strategies for small businesses to employ vis-a-vis larger businesses. In its testimony, LRB suggested that if a government agency is to be tasked with the study contained in the resolution, then DBEDT would be the appropriate agency.

In the Committee's discussion, DBEDT concurred with the request but indicated that due to significant resource limitations, at best, it would only be able to provide a status review of current studies on "big box retailers" and their effect on Hawaii business.

Accordingly, your Committee has amended this resolution by:

- (1) Changing the title of the resolution to read: "REQUESTING A STATUS REVIEW OF THE ECONOMIC IMPACTS PLACED ON LOCAL BUSINESS RETAILERS BY "BIG BOX RETAILERS";
- (2) Deleting the request for a study by LRB and instead, requesting a status review by DBEDT; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity 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 concurs with the intent and purpose of H.R. No. 301, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 301, H.D. 1.

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

**SCRep. 1272-96 Economic Development and Business Concerns on H.C.R. No. 329**

The purpose of this concurrent resolution, as received by your Committee, is to request the Legislative Reference Bureau (LRB) to:

- (1) Conduct a study that:
  - (a) Identifies and examines the economic problems and issues placed on Hawaii's businesses by "big box retailers"; and
  - (b) Proposes recommendations to best prepare local businesses to adapt and survive along with the large retailers; and

- (2) Report its findings and recommendations to the Legislature prior to the 1997 Regular Session.

Your Committee recognizes the highly competitive nature of Hawaii's retail industry, particularly as a result of the establishment of many large retail businesses and discount general merchandise chains to the State. The economic effects of these large retailers on local businesses and the local economy must be considered for the benefit of Hawaii's overall economy.

Testimony in support of the measure was submitted by Legislative Information Services of Hawaii, Inc. Comments were submitted by LRB and a private citizen.

Your Committee notes the testimony submitted by LRB, which indicated that the request in the concurrent resolution is not a policy study and that LRB has no experience or expertise in conducting a business consultancy study to determine appropriate competitive business strategies for small businesses to employ vis-a-vis larger businesses. In its testimony, LRB suggested that if a government agency is to be tasked with the study contained in the resolution, then DBEDT would be the appropriate agency.

In the Committee's discussion, DBEDT concurred with the request but indicated that due to significant resource limitations, at best, it would only be able to provide a status review of current studies on "big box retailers" and their effect on Hawaii business.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Changing the title of the concurrent resolution to read: "REQUESTING A STATUS REVIEW OF THE ECONOMIC IMPACTS PLACED ON LOCAL BUSINESS RETAILERS BY "BIG BOX RETAILERS";
- (2) Deleting the request for a study by LRB and instead, requesting a status review by DBEDT; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity 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 concurs with the intent and purpose of H.C.R. No. 329, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 329, H.D. 1.

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

**SCRep. 1273-96 Public Safety and Military Affairs on H.C.R. No. 332**

The purpose of this concurrent resolution is to request the Legislative Auditor to examine the state correctional system and determine what aspects may be effectively privatized.

Additionally, this concurrent resolution requests the Legislative Auditor to:

- (1) Analyze the cost effectiveness of each of the specific functions or tasks of the correctional system that are deemed amenable to privatization;
- (2) Examine various specific issues related to privatization of correctional facilities; and
- (3) Analyze various possibilities for private construction and operation of new correctional facilities.

Testimony on this measure was received from the Department of Public Safety and the United Public Workers Union.

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 concurs with the intent and purpose of H.C.R. No. 332 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.  
(Representative Saiki voted no.)

**SCRep. 1274-96 Public Safety and Military Affairs and Judiciary on H.C.R. No. 328**

The purpose of this concurrent resolution is to request the Judiciary, the Department of Health (DOH), and the Department of Public Safety (PSD) to formulate a plan or recommendation for a shared management information system that would contain information regarding an individual's criminal record and substance abuse treatment history and could be accessible by both the criminal justice system and treatment providers. The information stored in the information system could be used for several purposes, including evaluating:

- (1) The success rates of various treatment programs;
- (2) The success rates for various client profiles; and
- (3) Recidivism rates.

Testimony in support of this measure was received from PSD, DOH, and the State Attorney General. The Judiciary submitted testimony in support of the intent of the measure as long as it does not affect the priorities reflected in the Judiciary's supplemental budget request.

Your Committees recognize a need to establish a shared database of information profiling the criminal and substance abuse history of individuals convicted of crimes. Such a system would allow criminal justice and health care agencies to effectively monitor various treatment programs, allowing for more effective planning and coordination of programs and superior cost effective decisions regarding future program funding.

Your Committees have amended this measure by:

- (1) Designating the State Attorney General as the lead agency to coordinate the efforts of PSD, DOH, and the Judiciary; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity 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 concur with the intent and purpose of H.C.R. No. 328, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 328, H.D. 1.

Signed by all members of the Committees except Representatives Tom, Cachola, Herkes, Menor, Yamane and Meyer.

**SCRep. 1275-96 Public Safety and Military Affairs and Judiciary on H.R. No. 300**

The purpose of this resolution is to request the Judiciary, the Department of Health (DOH), and the Department of Public Safety (PSD) to formulate a plan or recommendation for a shared management information system that would contain information regarding an individual's criminal record and substance abuse treatment history and could be accessible by both the criminal justice system and treatment providers. The information stored in the information system could be used for several purposes, including evaluating:

- (1) The success rates of various treatment programs;
- (2) The success rates for various client profiles; and
- (3) Recidivism rates.

Testimony in support of this measure was received from PSD, DOH, and the State Attorney General. The Judiciary submitted testimony in support of the intent of the measure as long as it does not affect the priorities reflected in the Judiciary's supplemental budget request.

Your Committees recognize a need to establish a shared database of information profiling the criminal and substance abuse history of individuals convicted of crimes. Such a system would allow criminal justice and health care agencies to effectively monitor various treatment programs, allowing for more effective planning and coordination of programs and superior cost effective decisions regarding future program funding.

Your Committees have amended this measure by:

- (1) Designating the State Attorney General as the lead agency to coordinate the efforts of PSD, DOH, and the Judiciary; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity 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 concur with the intent and purpose of H.R. No. 300, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 300, H.D. 1.

Signed by all members of the Committees except Representatives Tom, Cachola, Herkes, Menor, Yamane and Meyer.

**SCRep. 1276-96 Consumer Protection and Commerce and Judiciary on H.R. No. 19**

The purpose of this resolution is to request the Legislative Reference Bureau, working with the Real Estate Commission and other appropriate agencies, to identify areas in chapter 514A, Hawaii Revised Statutes, the Condominium Property Regimes Law (CPR), that conflict with other laws.

Testimony in support of the intent of this measure was received from the Real Estate Commission and the Hawaii Chapter of the Community Associations Institute.

Your Committees find that the CPR, formerly known as the Horizontal Property Regimes Law, was established primarily to provide protection for condominium owners throughout the State. However, over the decades since its establishment, the CPR has been amended piecemeal to adapt to the changing conditions of the times. This has resulted in instances in which the CPR conflicts with other areas of state law. Therefore, your Committees believe that it is appropriate to review the CPR and identify areas of conflict.

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 concur with the intent and purpose of H.R. No. 19 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committees except Representatives Hamakawa, Herkes, Hiraki, McMurdo, Saiki, Tom, White and Thielen.

**SCRep. 1277-96 Consumer Protection and Commerce and Judiciary on H.C.R. No. 18**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau, working with the Real Estate Commission and other appropriate agencies, to identify areas in chapter 514A, Hawaii Revised Statutes, the Condominium Property Regimes Law (CPR), that conflict with other laws.

Testimony in support of the intent of this measure was received from the Real Estate Commission and the Hawaii Chapter of the Community Associations Institute.

Your Committees find that the CPR, formerly known as the Horizontal Property Regimes Law, was established primarily to provide protection for condominium owners throughout the State. However, over the decades since its establishment, the CPR has been amended piecemeal to adapt to the changing conditions of the times. This has resulted in instances in which the CPR conflicts with other areas of state law. Therefore, your Committees believe that it is appropriate to review the CPR and identify areas of conflict.

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 concur with the intent and purpose of H.C.R. No. 18 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committees except Representatives Hamakawa, Herkes, Hiraki, McMurdo, Saiki, Tom, White and Thielen.

**SCRep. 1278-96 Consumer Protection and Commerce and Judiciary on H.C.R. No. 177**

The purpose of this concurrent resolution is to protect children from pornography on the Internet by requesting the Department of the Attorney General to:

- (1) Study the issue of Internet communications that may be harmful to minors;
- (2) Recommend legislation to protect children from pornography on the Internet; and
- (3) Examine the potential applicability of the "harmful to minors" standard in developing legislation.

The Department of the Attorney General submitted testimony supporting the measure.

Your Committees find that although it is only a small fraction, there are sexually explicit material available on the Internet. Your Committees believe that this type of material should not be made available to children. Therefore, methods should be developed to restrict minors' access to sexually explicit material on the Internet without restricting freedom of expression unnecessarily.

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 concur with the intent and purpose of H.C.R. No. 177 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hamakawa, Herkes, Hiraki, McMurdo, Saiki, Tom, White and Thielen.

**SCRep. 1279-96 Consumer Protection and Commerce and Judiciary on H.C.R. No. 308**

The purpose of this concurrent resolution is to request the Auditor to perform a sunrise review of the regulation of court reporters.

The Judiciary submitted testimony supporting the intent and purpose of the measure.

Testimony indicated that court reporters, both official and freelance, play an extremely important role in the recording of evidence in both civil and criminal cases. While the Supreme Court has some authority to regulate court reporters, its authority is limited.

Your Committees find that to ensure the integrity of the court reporting process, a nonjudiciary review of the present, limited regulatory scheme would be helpful in developing adequate and appropriate regulation.

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 concur with the intent and purpose of H.C.R. No. 308 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committees except Representatives Hamakawa, Herkes, Hiraki, McMurdo, Saiki, Tom, White and Thielen.

**SCRep. 1280-96 Ocean Recreation and Marine Resources on H.C.R. No. 278**

The purpose of this concurrent resolution is to urge the President of the University of Hawaii, the Board of Regents, and University administrators to re-examine their priorities and provide adequate administrative support for the statewide Marine Option Program (MOP).

The University of Hawaii Marine Option Program and an individual submitted testimony in support of this measure.

Your Committee notes that the MOP has been in existence for twenty-five years and has provided thousands of students with valuable marine science education and experience. Many MOP graduates have gone on to successful marine careers and advanced studies in the marine community in Hawaii, the Pacific region, and throughout the world.

Further, as the only island state, Hawaii should be setting the standard for marine science education. Marine science offers great promise for promoting economic diversification. Moreover, knowledge of marine science is vital for keeping the ocean environmentally sustainable for future generations.

Your Committee has amended this measure by:

- (1) Requesting the University of Hawaii to develop a strategic plan for addressing the needs of undergraduate marine science education, specifically stating how the MOP fits in with this plan;
- (2) Requesting the University of Hawaii to submit this plan to the Legislature no later than twenty days before the convening of the Regular Session of 1997; 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 Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 278, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 278, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1281-96 Hawaiian Affairs and Housing on H.R. No. 275**

The purpose of this resolution is to request the Congress of the United States to intercede in the Pai Ohana eviction case and rescind the National Park Service's eviction of the Pai Ohana from Ai'opio within the Kaloko-Honokohau National Historical Park.

There was considerable testimony in overwhelming support of this resolution.

The Office of Hawaiian Affairs submitted testimony in support but wanted to include language which supports the re-activation of the Kaloko-Honokohau Advisory Commission.

The Native Hawaiian Legal Corporation suggested amending the language requesting the Board of Land and Natural Resources (BLNR) and the Governor to suspend any eviction attempts of the Pai 'Ohana. The suggested amendments also call for a review of policies and rules of the BLNR regarding formal recognition of a Hawaiian nation.

Additional testimony was received by Ka Lahui Hawaii, Na Koa Ikaika, American Friends Service Committee, the Council of Hawaiian Organizations, the Protect Kohanaiki 'Ohana, the Ahupua'a Action Alliance, and many private citizens.

Your Committee recognizes the constitutional provisions protecting customary practices of traditional Hawaiian practices. The Hawaii Supreme Court reaffirmed these rights in its decision last year regarding PUBLIC ACCESS SHORELINE HAWAII v. Hawaii County Planning Commission 79 Haw. 425 (1995).

Upon careful consideration, your Committee has amended this resolution by incorporating the suggestions of the Office of Hawaiian Affairs and the Native Hawaiian Legal Corporation.

Due to the impending eviction date, the Hawaiian Affairs and Housing Committee has agreed to issue a letter to the Governor and the BLNR seeking to suspend eviction proceedings.

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 concurs with the intent and purpose of H.R. No. 275, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 275, H.D. 1.

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

**SCRep. 1282-96 Hawaiian Affairs and Housing on H.C.R. No. 289**

The purpose of this concurrent resolution is to request the Congress of the United States to intercede in the Pai Ohana eviction case and rescind the National Park Service's eviction of the Pai Ohana from Ai'opio within the Kaloko-Honokohau National Historical Park.

There was considerable testimony in overwhelming support of this concurrent resolution..

The Office of Hawaiian Affairs submitted testimony in support but wanted to include language which supports the re-activation of the Kaloko-Honokohau Advisory Commission.

The Native Hawaiian Legal Corporation suggested amending the language requesting the Board of Land and Natural Resources (BLNR) and the Governor to suspend any eviction attempts of the Pai 'Ohana. The suggested amendments also call for a review of policies and rules of the BLNR regarding formal recognition of a Hawaiian nation.

Additional testimony was received by Ka Lahui Hawaii, Na Koa Ikaika, American Friends Service Committee, the Council of Hawaiian Organizations, the Protect Kohanaiki 'Ohana, the Ahupua'a Action Alliance, and many private citizens.

Your Committee recognizes the constitutional provisions protecting customary practices of traditional Hawaiian practices. The Hawaii Supreme Court reaffirmed these rights in its decision last year regarding PUBLIC ACCESS SHORELINE HAWAII v. Hawaii County Planning Commission 79 Haw. 425 (1995).

Upon careful consideration, your Committee has amended this concurrent resolution by incorporating the suggestions of the Office of Hawaiian Affairs and the Native Hawaiian Legal Corporation.

Due to the impending eviction date, the Hawaiian Affairs and Housing Committee has agreed to issue a letter to the Governor and the BLNR seeking to suspend eviction proceedings.

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 concurs with the intent and purpose of H.C.R. No. 289, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 289, H.D. 1.

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

**SCRep. 1283-96 Public Safety and Military Affairs and Judiciary on H.R. No. 221**

The purpose of this resolution is to request the U.S. Department of Justice Federal Bureau of Prisons to expedite the construction of a six hundred bed detention center on Oahu.

The Department of Public Safety submitted testimony in support of this measure.

Your Committees recognize the urgent need for a federal detention center on Oahu. Currently, the state and the federal government have an agreement that allows approximately 50 federal detainees to be housed in state correctional facilities. However, because of the severe shortage of bed space in state correctional facilities, this agreement may not be able to continue indefinitely. A federal detention center on Oahu will allow more space in state facilities for criminals convicted in state courts and may also allow for an agreement between the state and the federal government for the state to be able to house state detainees or inmates in the federal facility.

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 concur with the intent and purpose of H.R. No. 221 and recommend its adoption.

Signed by all members of the Committees except Representatives Tom, Cachola, Herkes, Menor, Yamane and Meyer.  
(Representative Chun Oakland voted no.)

**SCRep. 1284-96 Public Safety and Military Affairs and Judiciary on H.C.R. No. 226**

The purpose of this concurrent resolution is to request the U.S. Department of Justice Federal Bureau of Prisons to expedite the construction of a six hundred bed detention center on Oahu.

The Department of Public Safety submitted testimony in support of this measure.

Your Committees recognize the urgent need for a federal detention center on Oahu. Currently, the state and the federal government have an agreement that allows approximately 50 federal detainees to be housed in state correctional facilities. However, because of the severe shortage of bed space in state correctional facilities, this agreement may not be able to continue indefinitely. A federal detention center on Oahu will allow more space in state facilities for criminals convicted in state courts and may also allow for an agreement between the state and the federal government for the state to be able to house state detainees or inmates in the federal facility.

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 concur with the intent and purpose of H.C.R. No. 226 and recommend its adoption.

Signed by all members of the Committees except Representatives Tom, Cachola, Herkes, Menor, Yamane and Meyer.  
(Representative Chun Oakland voted no.)

**SCRep. 1285-96 Energy and Environmental Protection and Water and Land Use Planning on H.R. No. 2**

The purpose of this resolution is to request the Federal Aviation Administration (FAA) to adopt helicopter noise regulations for residential areas, parks, and conservation districts.

Testimony in favor of the resolution was received from Citizens Against Noise. Testimony in opposition was received from the Hawaii Helicopter Operators Association. Testimony agreeing with the resolution's intent was received from the Department of Transportation.

Your Committees find that a delicate balance is necessary in the resolution of this divisive issue. Your Committees also recognize that the FAA is responsible for negotiating this balance between the general public and regulated community.

A quiet serenity (free from noise pollution) is often desired by some residential communities and persons that wish to obtain the outdoor experience in Hawaii. However, your Committees acknowledge that these communities and persons are often at a disadvantage with regard to the development of appropriate regulations. Your Committees express that in recommending the adoption of this resolution, it is their intention to assist these communities and persons in their efforts to have their voices heard by the FAA.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use Planning that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 2 and recommend its adoption.

Signed by all members of the Committees except Representatives Garcia, Kanoho, McMurdo, Tarnas and Meyer.

**SCRep. 1286-96 Energy and Environmental Protection and Water and Land Use Planning on H.C.R. No. 3**

The purpose of this concurrent resolution is to request the Federal Aviation Administration (FAA) to adopt helicopter noise regulations for residential areas, parks, and conservation districts.

Testimony in favor of the concurrent resolution was received from Citizens Against Noise. Testimony in opposition was received from the Hawaii Helicopter Operators Association. Testimony agreeing with the concurrent resolution's intent was received from the Department of Transportation.

Your Committees find that a delicate balance is necessary in the resolution of this divisive issue. Your Committees also recognize that the FAA is responsible for negotiating this balance between the general public and regulated community.

A quiet serenity (free from noise pollution) is often desired by some residential communities and persons that wish to obtain the outdoor experience in Hawaii. However, your Committees acknowledge that these communities and persons are often at a disadvantage with regard to the development of appropriate regulations. Your Committees express that in recommending the adoption of this concurrent resolution, it is their intention to assist these communities and persons in their efforts to have their voices heard by the FAA.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use Planning that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 3 and recommend its adoption.

Signed by all members of the Committees except Representatives Garcia, Kanoho, McMurdo, Tarnas and Meyer.

**SCRep. 1287-96 Consumer Protection and Commerce on S.B. No. 2128**

The purpose of this bill is to facilitate the incorporation of business development corporations under chapter 420, Hawaii Revised Statutes.

Testimony in support of the bill was received from Pacific Jurisdictions, Outrigger Enterprises, Inc., and GMP Associates, Inc.

Business development corporations are created for the purposes of promoting, stimulating, developing, and advancing the business prosperity and economic welfare of the Pacific Islands and their citizens through loans, investments, and other business activities. However, for a small company or group, the statutory requirements for incorporators may be burdensome and preclude the formation of a business development corporation.

This bill would reduce burdensome incorporation requirements by implementing the following:

- (1) Reducing the required number of incorporators (currently not less than five) to two; and
- (2) Reducing the incorporators' Hawaii residency requirement (currently a majority) to be at least one incorporator.

The effect of this bill will be to increase the number of business development corporations in Hawaii and therefore further promote business development in the Pacific Islands.

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 S.B. No. 2128 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 Yoshinaga, Hamakawa, Hiraki, Tom and Thielen.

**SCRep. 1288-96 Consumer Protection and Commerce on S.B. No. 2521**

The purpose of this bill is to remove the prohibition against nondepository financial services loan companies (FSLCs) issuing standby letters of credit.

Testimony was received from the Hawaii Financial Services Association and the Commissioner of the Financial Institutions Division of the Department of Commerce and Consumer Affairs.

Currently, depository FSLCs are allowed to issue standby letters of credit with the written approval of the commissioner of financial institutions. Nondepository FSLCs are not similarly authorized, and this differential treatment has its basis in the differences between the operations of the two types of FSLCs and in the extent to which these operations are restricted or regulated.

Traditionally, a letter of credit is a depository product, issued by a depository financial institution, and collateralized by funds in a deposit account. Its liquidity is dependent upon the financial condition of the issuer. If a loan or line of credit is used to collateralize a letter of credit, risk to the depository financial institution is generally controlled through lending limits and periodic regulatory examination. Nondepository FSLCs, however, do not receive deposits, are not subject to lending limits, and are scrutinized by the Commissioner primarily for consumer lending law compliance rather than for financial solvency. Therefore, the risk controls inherent in the restrictions placed upon depository FSLCs do not exist with respect to nondepository FSLCs that are not subject to the same restrictions.

This bill provides the necessary risk controls by requiring that:

- (1) Nondepository FSLCs report the aggregate amount of their outstanding standby letters of credit on financial statements submitted to the Commissioner pursuant to section 412:3-112, HRS;
- (2) The aggregate amount of a company's outstanding standby letters of credit not exceed twenty per cent of its capital and surplus amounts;
- (3) Standby letters of credit issued by nondepository FSLCs not be used for consumer loan transactions; and
- (4) The issuing nondepository FSLC identify itself as a nondepository FSLC in its standby letter of credit.

The bill also requires that depository FSLCs include standby letters of credit with all other loans and extensions of credit for the purpose of determining the limitation on loans to one borrower under section 412:9-404, HRS.

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 S.B. No. 2521, 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 Cachola, Hamakawa, Hiraki, Tom, White and Thielen.

**SCRep. 1289-96 Consumer Protection and Commerce on S.B. No. 2732**

The purpose of this bill is to make technical corrections to certain provisions of the insurance code for reasons of accuracy and conformity.

The Insurance Division of the Department of Commerce and Consumer Affairs testified in favor of the bill.

The first section of the bill amends section 431:3-203.5, Hawaii Revised Statutes (HRS), by replacing the term "accreditation" with the term "certification". As an insurance company seeking licensure in this State applies for a certificate of authority and undergoes certification procedures, the latter term more accurately reflects the nature of the process.

The second section of the bill amends section 431:3-301, HRS, by replacing the term "penalty" with the term "fine". This amendment is necessary to conform this provision to other penalty provisions throughout the insurance code.

Upon careful consideration, your Committee has amended the bill by replacing its contents with the language of H.B. No. 3401 H.D. 1., the House companion to this measure. The bill, as amended, deletes the term "accreditation" from the title of section 431:3-203, HRS, and replaces it with the term "certification", in order to conform the section title to the amendment proposed to the body of section 431:3-203, HRS.

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 S.B. No. 2732, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2732, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hamakawa, Hiraki, Tom, White and Thielen.

**SCRep. 1290-96 Consumer Protection and Commerce on H.R. No. 172**

The purpose of this resolution is to request the Legislative Reference Bureau (LRB) to perform a study of the sales practices within the rent-to-own industry and the necessity for further legislation.

Testimony in support of the measure was received from: the Department of Commerce and Consumer Affairs; the Legal Aid Society of Hawaii; and the Legislative Reference Bureau, with proposed amendments.

The rent-to-own industry generally markets its products to low income consumers, with promises of no credit requirements and low monthly payments. A typical transaction involves a consumer signing a form contract in which the consumer "leases" furniture, appliances, or electronic devices such as a television.

Rent-to-own agreements have a unique marketing and sales niche because many customers enter into the transactions with the expectation of buying, not renting or "leasing" the product. This is because weekly or monthly payments may be significantly less than would otherwise be charged to the consumer and/or the consumer could not qualify for credit or installment sales purchases in the marketplace. However, when compared to credit or installment sales contracts, the total purchase price paid by rent-to-own customers may be exorbitant.

Problems have arisen where a consumer may have unknowingly paid an exorbitant price for the product, resulting in claims by a consumer of unfair trade practices or other related complaints. The State's ability to respond to these problems, through the application of consumer protection laws, may encounter statutory limitations due to the unique nature of the rent-to-own "lease" agreements.

Rent-to-own agreements are typically characterized by the industry as "lease agreements" rather than as installment sales contracts. These "lease agreements" usually contain purchase options which enable the lessees to obtain title to goods by making periodic payments and a nominal payment at the end of the stated period. A typical rent-to-own "lease" in Hawaii does not contain a penalty for termination. Therefore, it is difficult to characterize the "lease" as falling under the applicable truth in lending and credit sales laws which would otherwise require certain disclosures and limitations on trade practices.

Hawaii is not unique in recognizing that some problems exist and that responsive legislation may be warranted. Currently, forty-two states have enacted special statutes treating rent-to-own transactions as a unique transaction different from other retail credit or installment sales. These state statutes impose various disclosure requirements and restrict some of the terms of the rent-to-own transactions.

This resolution would require that the Legislative Reference Bureau (LRB) conduct a study of Hawaii's rent-to-own industry. Issues to be studied include: an examination of the regulations of other jurisdictions; an examination of applicable federal regulations; and recommended legislation for Hawaii's rent-to-own industry.

Your Committee finds that a study of the rent-to-own industry as mandated by this resolution is warranted in order to ascertain the necessity and scope for providing further protection of the state's consumers. Additionally, your Committee has adopted the recommendations of the LRB, and has amended this resolution by placing the responsibility for producing the study under the Office of the Auditor (Auditor), and not with the LRB. Regulation of this industry appears to fall under section 26H-6, Hawaii Revised Statutes (HRS), which requires that new regulatory measures being considered for unregulated professions or vocations be referred to the Auditor for a "sunrise" review. A study of this issue by the LRB would be redundant and unnecessary because in any case the Auditor would be required to conduct a similar review.

Furthermore, your Committee has amended this resolution by expanding and clarifying the scope of the study to include the following:

- (1) The need for and proposed effects of regulating the rent-to-own industry in Hawaii;
- (2) Whether regulating the industry would be consistent with the policies set forth in section 26H-2, HRS, concerning policies pertaining to professional and vocational regulation within the State;
- (3) The preferred form through which such regulation should be provided, if deemed appropriate; and
- (4) Consideration of the form of regulation proposed in H.B. No. 3727, introduced during the Regular Session of 1996.

Your Committee has made additional technical, nonsubstantive changes 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 concurs with the intent and purpose of H.R. No. 172, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 172, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Herkes, Hiraki, Tom, White and Thielen.

**SCRep. 1291-96 Consumer Protection and Commerce on H.C.R. No. 170**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to perform a study of the sales practices within the rent-to-own industry and the necessity for further legislation.

Testimony in support of the measure was received from: the Department of Commerce and Consumer Affairs; the Legal Aid Society of Hawaii; and the Legislative Reference Bureau, with proposed amendments.

The rent-to-own industry generally markets its products to low income consumers, with promises of no credit requirements and low monthly payments. A typical transaction involves a consumer signing a form contract in which the consumer "leases" furniture, appliances, or electronic devices such as a television.

Rent-to-own agreements have a unique marketing and sales niche because many customers enter into the transactions with the expectation of buying, not renting or "leasing" the product. This is because weekly or monthly payments may be significantly less than would otherwise be charged to the consumer and/or the consumer could not qualify for credit or installment sales purchases in the marketplace. However, when compared to credit or installment sales contracts, the total purchase price paid by rent-to-own customers may be exorbitant.

Problems have arisen where a consumer may have unknowingly paid an exorbitant price for the product, resulting in claims by a consumer of unfair trade practices or other related complaints. The State's ability to respond to these problems, through the application of consumer protection laws, may encounter statutory limitations due to the unique nature of the rent-to-own "lease" agreements.

Rent-to-own agreements are typically characterized by the industry as "lease agreements" rather than as installment sales contracts. These "lease agreements" usually contain purchase options which enable the lessees to obtain title to goods by making periodic payments and a nominal payment at the end of the stated period. A typical rent-to-own "lease" in Hawaii does not contain a penalty for termination. Therefore, it is difficult to characterize the "lease" as falling under the applicable truth in lending and credit sales laws which would otherwise require certain disclosures and limitations on trade practices.

Hawaii is not unique in recognizing that some problems exist and that responsive legislation may be warranted. Currently, forty-two states have enacted special statutes treating rent-to-own transactions as a unique transaction different from other retail credit or installment sales. These state statutes impose various disclosure requirements and restrict some of the terms of the rent-to-own transactions.

This concurrent resolution would require that the Legislative Reference Bureau (LRB) conduct a study of Hawaii's rent-to-own industry. Issues to be studied include: an examination of the regulations of other jurisdictions; an examination of applicable federal regulations; and recommended legislation for Hawaii's rent-to-own industry.

Your Committee finds that a study of the rent-to-own industry as mandated by this concurrent resolution is warranted in order to ascertain the necessity and scope for providing further protection of the state's consumers. Additionally, your Committee has adopted the recommendations of the LRB, and has amended this concurrent resolution by placing the responsibility for producing the study under the Office of the Auditor (Auditor), and not with the LRB. Regulation of this industry appears to fall under section 26H-6, Hawaii Revised Statutes (HRS), which requires that new regulatory measures being considered for unregulated professions or vocations be referred to the Auditor for a "sunrise" review. A study of this issue by the LRB would be redundant and unnecessary because in any case the Auditor would be required to conduct a similar review.

Furthermore, your Committee has amended this concurrent resolution by expanding and clarifying the scope of the study to include the following:

- (1) The need for and proposed effects of regulating the rent-to-own industry in Hawaii;
- (2) Whether regulating the industry would be consistent with the policies set forth in section 26H-2, HRS, concerning policies pertaining to professional and vocational regulation within the State;
- (3) The preferred form through which such regulation should be provided, if deemed appropriate; and
- (4) Consideration of the form of regulation proposed in H.B. No. 3727, introduced during the Regular Session of 1996.

Your Committee has made additional technical, nonsubstantive changes 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 concurs with the intent and purpose of H.C.R. No. 170, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 170, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Herkes, Hiraki, Tom, White and Thielen.

**SCRep. 1292-96 Consumer Protection and Commerce on H.R. No. 168**

The purpose of this resolution is to request the Auditor to conduct a "sunrise review" report of the regulation of condominium association managers as contemplated in House Bill No. 3242, Regular Session of 1996.

Your Committee finds that a condominium association manager, as defined in House Bill No. 3242, Regular Session of 1996, means any person employed or retained by a condominium managing agent for the purposes of managing the operation of the property.

Testimony in support of the intent of the measure was received from the Real Estate Commission, with suggested amendments.

Your Committee finds that currently, condominium association managers are not required by statute to possess minimum competency requirements in the area of condominium management. However, given their tremendous responsibilities, your Committee believes that it is appropriate to establish competency requirements for condominium association managers to ensure that they possess the skills and knowledge necessary to properly fulfill their responsibilities.

Additionally, your Committee is cognizant that other parties, such as condominium managing agents, and employees of self-managed associations are not currently required to possess minimum competency requirements in the area of condominium management. This is particularly significant because condominium managing agents (who are required to hold a real estate broker license) may be responsible for the employment of a condominium association manager for the purpose of managing a condominium.

Accordingly, your Committee has adopted the recommendations of the Real Estate Commission by incorporating the language of Senate Concurrent Resolution No. 259, S.D. 1, Regular Session of 1995. Other amendments have also been made. These amendments, which include the addition of condominium managing agents and employees of self-managing associations as parties covered under the report, will expand and clarify the scope of the report.

As amended, the resolution, among other things, requests the Auditor to:

- (1) Determine the need for licensing of those persons managing the operation of a condominium property, based on the general format proposed in H.B. No. 3242, Regular Session of 1996;
- (2) Determine whether there are problems with those individuals involved in condominium management and governance, make recommendations to rectify problems, and the impact of a proposed licensing scheme;
- (3) Make an assessment as to whether the present state regulatory scheme is effective and sufficient;
- (4) Determine the need for the State to regulate or license all or specific individuals involved in condominium management and governance as an occupation, including employees of self-managed condominiums;
- (5) Consider the regulatory schemes as recommended by trade organizations, including but not limited to the Community Associations Institute (CAI) and the Institute of Real Estate Management (IREM); and
- (6) Propose legislation, if necessary.

Your Committee has made additional technical, nonsubstantive changes 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 concurs with the intent and purpose of H.R. No. 168, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 168, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Herkes, Hiraki, Tom, White and Thielen.

**SCRep. 1293-96 Consumer Protection and Commerce on H.C.R. No. 165**

The purpose of this concurrent resolution is to request the Auditor to conduct a "sunrise review" report of the regulation of condominium association managers as contemplated in House Bill No. 3242, Regular Session of 1996.

Your Committee finds that a condominium association manager, as defined in House Bill No. 3242, Regular Session of 1996, means any person employed or retained by a condominium managing agent for the purposes of managing the operation of the property.

Testimony in support of the intent of the measure was received from the Real Estate Commission, with suggested amendments.

Your Committee finds that currently, condominium association managers are not required by statute to possess minimum competency requirements in the area of condominium management. However, given their tremendous responsibilities, your Committee believes that it is appropriate to establish competency requirements for condominium association managers to ensure that they possess the skills and knowledge necessary to properly fulfill their responsibilities.

Additionally, your Committee is cognizant that other parties, such as condominium managing agents, and employees of self-managed associations are not currently required to possess minimum competency requirements in the area of condominium management. This is particularly significant because condominium managing agents (who are required to hold a real estate broker license) may be responsible for the employment of a condominium association manager for the purpose of managing a condominium.

Accordingly, your Committee has adopted the recommendations of the Real Estate Commission by incorporating the language of Senate Concurrent Resolution No. 259, S.D. 1, Regular Session of 1995. Other amendments have also been made. These amendments, which include the addition of condominium managing agents and employees of self-managing associations as parties covered under the report, will expand and clarify the scope of the report.

As amended, the concurrent resolution, among other things, requests the Auditor to:

- (1) Determine the need for licensing of those persons managing the operation of a condominium property, based on the general format proposed in H.B. No. 3242, Regular Session of 1996;
- (2) Determine whether there are problems with those individuals involved in condominium management and governance, make recommendations to rectify problems, and the impact of a proposed licensing scheme;

- (3) Make an assessment as to whether the present state regulatory scheme is effective and sufficient;
- (4) Determine the need for the State to regulate or license all or specific individuals involved in condominium management and governance as an occupation, including employees of self-managed condominiums;
- (5) Consider the regulatory schemes as recommended by trade organizations, including but not limited to the Community Associations Institute (CAI) and the Institute of Real Estate Management (IREM); and
- (6) Propose legislation, if necessary.

Your Committee has made additional technical, nonsubstantive changes 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 concurs with the intent and purpose of H.C.R. No. 165, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 165, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Herkes, Hiraki, Tom, White and Thielen.

**SCRep. 1294-96 Consumer Protection and Commerce and Judiciary on H.R. No. 177**

The purpose of this resolution is to protect children from pornography on the Internet by requesting the Department of the Attorney General to:

- (1) Study the issue of Internet communications that may be harmful to minors;
- (2) Recommend legislation to protect children from pornography on the Internet; and
- (3) Examine the potential applicability of the "harmful to minors" standard in developing legislation.

The Department of the Attorney General submitted testimony supporting the measure.

Your Committees find that although it is only a small fraction, there are sexually explicit material available on the Internet. Your Committees believe that this type of material should not be made available to children. Therefore, methods should be developed to restrict minors' access to sexually explicit material on the Internet without restricting freedom of expression unnecessarily.

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 concur with the intent and purpose of H.R. No. 177 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hamakawa, Herkes, Hiraki, Tom, White and Thielen.

**SCRep. 1295-96 Judiciary on H.R. No. 32**

The purpose of this resolution is to request a security plan for the State Capitol.

Your Committee received testimony in support of this resolution from a representative of the Department of Public Safety.

Your Committee finds that it is imperative that the safety of workers and visitors at the State Capitol be ensured and that the Capitol itself should be protected from harm.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 32 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom, Cachola, Hamakawa, Herkes, McMurdo and Menor.

**SCRep. 1296-96 Judiciary on H.C.R. No. 26**

The purpose of this concurrent resolution is to request a security plan for the State Capitol.

Your Committee received testimony in support of this concurrent resolution from a representative of the Department of Public Safety.

Your Committee finds that it is imperative that the safety of workers and visitors at the State Capitol be ensured and that the Capitol itself should be protected from harm.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 26 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom, Cachola, Hamakawa, Herkes, McMurdo and Menor.

**SCRep. 1297-96      Judiciary on H.R. No. 195**

The purpose of this resolution is to request that the Department of Transportation (DOT) create a Task Force to develop an enforcement program to enforce parking restrictions with respect to parking spaces designated for the sole use of persons with disabilities.

Testimony in support of this measure was submitted by the Commission on Persons with Disabilities and a member of the public. The DOT opposed the bill.

Your Committee finds that it is essential that an agency with enforcement power oversee the Task Force. However, your Committee understands that agencies such as the Commission on Persons with Disabilities may offer insights to these problems that law enforcement agencies may overlook. As such, your Committee strongly urges the DOT to work closely with the Commission on Persons with Disabilities and other similar organizations in developing viable solutions to this problem.

Your Committee has amended the resolution by:

- (1) Removing from the Task Force all county transportation agencies and replacing them with all county police departments;
- (2) Requesting the Task Force to study parking enforcement on both public and private lands;
- (3) Requesting the Task Force to propose a viable funding mechanism to maintain a self-supporting program for parking enforcement for persons with disabilities by:
  - (a) Examining the feasibility of increasing fines for abuse of handicapped parking; and
  - (b) Using private citizens either as volunteers, or hiring independent contractors paid on a per violation basis, to be paid from a percentage of the fines collected, to enforce laws pertaining to parking abuse; and
- (4) Sending certified copies of this resolution to the police chief of all the counties instead of the directors of transportation of all the counties.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 195, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 195, H.D. 1.

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

**SCRep. 1298-96      Judiciary on H.C.R. No. 195**

The purpose of this concurrent resolution is to request that the Department of Transportation (DOT) create a Task Force to develop an enforcement program to enforce parking restrictions with respect to parking spaces designated for the sole use of persons with disabilities.

Testimony in support of this measure was submitted by the Commission on Persons with Disabilities and a member of the public. The DOT opposed the bill.

Your Committee finds that it is essential that an agency with enforcement power oversee the Task Force. However, your Committee understands that agencies such as the Commission on Persons with Disabilities may offer insights to these problems that law enforcement agencies may overlook. As such, your Committee strongly urges the DOT to work closely with the Commission on Persons with Disabilities and other similar organizations in developing viable solutions to this problem.

Your Committee has amended the concurrent resolution by:

- (1) Removing from the Task Force all county transportation agencies and replacing them with all county police departments;
- (2) Requesting the Task Force to study parking enforcement on both public and private lands;
- (3) Requesting the Task Force to propose a viable funding mechanism to maintain a self-supporting program for parking enforcement for persons with disabilities by:
  - (a) Examining the feasibility of increasing fines for abuse of handicapped parking; and
  - (b) Using private citizens either as volunteers, or hiring independent contractors paid on a per violation basis, to be paid from a percentage of the fines collected, to enforce laws pertaining to parking abuse; and
- (4) Sending certified copies of this concurrent resolution to the police chief of all the counties instead of the directors of transportation of all the counties.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 195, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 195, H.D. 1.

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

**SCRep. 1299-96      Judiciary on H.R. No. 228**

The purpose of this resolution is to request a study by the Office of Elections to determine whether a primary election for candidates for the Office of Hawaiian Affairs Board of Trustees should be held prior to the special election of board members.

Your Committee heard testimony in support of the resolution from a representative of the Office of Elections and a concerned citizen. A representative of the Office of Hawaiian Affairs testified in opposition.

Your Committee finds that concerns have been raised over whether a large field of candidates in a single election is the best method by which to choose the Trustees for the Hawaiian Affairs Board. Your Committee believes the issue deserves further study before action is taken by the Legislature to modify the election process.

This resolution has been amended by your Committee to clarify reference to the identification of legal issues concerning the primary election process.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 228, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 228, H.D. 1.

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

**SCRep. 1300-96      Judiciary on H.C.R. No. 233**

The purpose of this concurrent resolution is to request a study by the Office of Elections to determine whether a primary election for candidates for the Office of Hawaiian Affairs Board of Trustees should be held prior to the special election of board members.

Your Committee heard testimony in support of the concurrent resolution from a representative of the Office of Elections and a concerned citizen. A representative of the Office of Hawaiian Affairs testified in opposition.

Your Committee finds that concerns have been raised over whether a large field of candidates in a single election is the best method by which to choose the Trustees for the Hawaiian Affairs Board. Your Committee believes the issue deserves further study before action is taken by the Legislature to modify the election process.

This concurrent resolution has been amended by your Committee to clarify reference to the identification of legal issues concerning the primary election process.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 233, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 233, H.D. 1.

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

**SCRep. 1301-96      Judiciary on H.R. No. 244**

The purpose of this resolution is to request a study on video conferencing the testimony of out-of-state witnesses to facilitate the prosecution of criminals who target Hawaii visitors.

Your Committee received testimony in support of this resolution from representatives of the Judiciary, the City and County of Honolulu Department of the Prosecuting Attorney, the Maui Hotel Association and the Hawaii Hotel Association. The Office of the Public Defender opposed this resolution.

Your Committee finds that visitors are being targeted by criminals because of the lower likelihood that the visitors will return for trial and because some visitors carry large amounts of cash and valuable equipment. The incidence of thefts against tourists was approximately 77% higher than for residents in 1993. Where the visitor victim is unable to return for trial, the case may be dismissed or the charges may be reduced. This leaves the criminal free to find new prey and start the cycle again.

It is the belief of your Committee that reducing crime, stopping the "revolving door" syndrome, convicting the guilty, and helping our State's economy by making Hawaii a desirable destination are significant interests which would be promoted by the use of video conferencing in criminal court proceedings where out-of-state witnesses are unable to return to Hawaii to testify.

Your Committee has amended this resolution by requesting the Department of the Attorney General, in cooperation with the Judiciary, the county prosecutors and the Office of the Public Defender to conduct the study rather than the Judiciary, in cooperation with the Honolulu Police Department and the Prosecutor's Office of the City and County of Honolulu. This

amendment broadens the base of participants. The last clause of the resolution has been amended to reflect this change in the agencies involved.

The description of the study has also been amended to read "a comprehensive study of the use of video conferencing in criminal court proceedings where out-of-state witnesses are unable, for varying reasons, to return to Hawaii to testify."

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 244, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 244, H.D. 1.

Signed by all members of the Committee except Representatives Tom, Cachola, Hamakawa, Herkes, McMurdo and Menor.

**SCRep. 1302-96      Judiciary on H.C.R. No. 254**

The purpose of this concurrent resolution is to request a study on video conferencing the testimony of out-of-state witnesses to facilitate the prosecution of criminals who target Hawaii visitors.

Your Committee received testimony in support of this concurrent resolution from representatives of the Judiciary, the City and County of Honolulu Department of the Prosecuting Attorney, the Maui Hotel Association and the Hawaii Hotel Association. The Office of the Public Defender opposed this resolution.

Your Committee finds that visitors are being targeted by criminals because of the lower likelihood that the visitors will return for trial and because some visitors carry large amounts of cash and valuable equipment. The incidence of thefts against tourists was approximately 77% higher than for residents in 1993. Where the visitor victim is unable to return for trial, the case may be dismissed or the charges may be reduced. This leaves the criminal free to find new prey and start the cycle again.

It is the belief of your Committee that reducing crime, stopping the "revolving door" syndrome, convicting the guilty, and helping our State's economy by making Hawaii a desirable destination are significant interests which would be promoted by the use of video conferencing in criminal court proceedings where out-of-state witnesses are unable to return to Hawaii to testify.

Your Committee has amended this concurrent resolution by requesting the Department of the Attorney General, in cooperation with the Judiciary, the county prosecutors and the Office of the Public Defender to conduct the study rather than the Judiciary, in cooperation with the Honolulu Police Department and the Prosecutor's Office of the City and County of Honolulu. This amendment broadens the base of participants. The last clause of the concurrent resolution has been amended to reflect this change in the agencies involved.

The description of the study has also been amended to read "a comprehensive study of the use of video conferencing in criminal court proceedings where out-of-state witnesses are unable, for varying reasons, to return to Hawaii to testify."

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 254, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 254, H.D. 1.

Signed by all members of the Committee except Representatives Tom, Cachola, Hamakawa, Herkes, McMurdo and Menor.

**SCRep. 1303-96      Judiciary on H.R. No. 282**

The purpose of this resolution is to request the State Procurement Office and the Procurement Board to study the categories and priorities of public notices required by state law.

Testimony in support of this measure was submitted by the Hawaii Newspaper Agency and the Hawaii Publishers Association.

Your Committee has amended the resolution by:

- (1) Changing the responsible agency from the State Procurement Office and the Procurement Board to the Legislative Auditor;
- (2) Requesting that the Legislative Auditor consult with other agencies including the State Procurement Office, in the course of their review;
- (3) Specifying that the survey provides an analysis of alternative methods for public notices including electronic media;
- (4) Requesting that the risks and legal implications of converting to alternative methods of dissemination be examined;
- (5) Requiring the survey to include a cost comparison of existing and alternative methods for public notices;
- (6) Providing that the survey devise categories of public notices and determine which notices are appropriate for alternative methods of dissemination; and

- (7) Ensuring that the survey encompass all required legal and public notices.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 282, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 282, H.D. 1.

Signed by all members of the Committee except Representatives Tom, Cachola, Hamakawa, Herkes, McMurdo and Menor.

**SCRep. 1304-96 Judiciary on H.C.R. No. 299**

The purpose of this concurrent resolution is to request the State Procurement Office and the Procurement Board to study the categories and priorities of public notices required by state law.

Testimony in support of this measure was submitted by the Hawaii Newspaper Agency and the Hawaii Publishers Association.

Your Committee has amended the concurrent resolution by:

- (1) Changing the responsible agency from the State Procurement Office and the Procurement Board to the Legislative Auditor;
- (2) Requesting that the Legislative Auditor consult with other agencies including the State Procurement Office, in the course of their review;
- (3) Specifying that the survey provide an analysis of alternative methods for public notices including electronic media;
- (4) Requesting that the risks and legal implications of converting to alternative methods of dissemination be examined;
- (5) Requiring the survey to include a cost comparison of existing and alternative methods for public notices;
- (6) Providing that the survey devise categories of public notices and determine which notices are appropriate for alternative methods of dissemination; and
- (7) Ensuring that the survey encompass all required legal and public notices.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 299, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 299, H.D. 1.

Signed by all members of the Committee except Representatives Tom, Cachola, Hamakawa, Herkes, McMurdo and Menor.

**SCRep. 1305-96 Energy and Environmental Protection and Water and Land Use Planning and Ocean Recreation and Marine Resources on H.R. No. 193**

The purpose of this House Resolution is to request the Department of Land and Natural Resources (DLNR) to examine the merits and feasibility of constructing catchment basins or buffers along streams and rivers which will prevent debris and sediment from running into the ocean.

Testimony in opposition to the measure was received by the Department of Land and Natural Resources based on their estimates of the time and cost involved in updating a 1980 study which would provide the information sought by the resolution.

Your Committees find that the continuing impacts of land based activities on ocean resources often result from a lack of adequate information about technologies which could provide relief to the marine ecosystem. Because the ocean is one of Hawaii's most important resources, it is necessary to protect and sustain the economic and environmental quality of all state waters. Therefore, the DLNR study may prove useful to the state in determining a future course of action on this subject.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use Planning and Ocean Recreation and Marine Resources that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 193 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kanoho, Takamine, Yamane and Meyer.

**SCRep. 1306-96 Energy and Environmental Protection and Water and Land Use Planning and Ocean Recreation and Marine Resources on H.C.R. No. 193**

The purpose of this House Concurrent Resolution is to request the Department of Land and Natural Resources (DLNR) to examine the merits and feasibility of constructing catchment basins or buffers along streams and rivers which will prevent debris and sediment from running into the ocean.

Testimony in opposition to the measure was received by the Department of Land and Natural Resources based on their estimates of the time and cost involved in updating a 1980 study which would provide the information sought by the resolution.

Your Committees find that the continuing impacts of land based activities on ocean resources often result from a lack of adequate information about technologies which could provide relief to the marine ecosystem. Because the ocean is one of Hawaii's most important resources, it is necessary to protect and sustain the economic and environmental quality of all state waters. Therefore, the DLNR study may prove useful to the state in determining a future course of action on this subject.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use Planning and Ocean Recreation and Marine Resources that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 193 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kanoho, Takamine, Yamane and Meyer.

**SCRep. 1307-96 Hawaiian Affairs and Housing on H.R. No. 112**

The purpose of this measure is to request the Department of Hawaiian Home Lands to convene a task force to review the abuses by which leases of Hawaiian homestead properties are improperly transferred for profit or for other reasons inconsistent with the spirit and intent of the Hawaiian Homes Commission Act of 1920, as amended.

Your Committee received testimony in favor of this measure from the Department of Hawaiian Home Lands.

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 concurs with the intent and purpose of H.R. No. 112 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1308-96 Hawaiian Affairs and Housing on H.C.R. No. 107**

The purpose of this measure is to request the Department of Hawaiian Home Lands to convene a task force to review the abuses by which leases of Hawaiian homestead properties are improperly transferred for profit or for other reasons inconsistent with the spirit and intent of the Hawaiian Homes Commission Act of 1920, as amended.

Your Committee received testimony in favor of this measure from the Department of Hawaiian Home Lands.

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 concurs with the intent and purpose of H.C.R. No. 107 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1309-96 Hawaiian Affairs and Housing on H.R. No. 215**

The purpose of this measure is to recognize all native speakers of the Hawaiian language as unique and precious cultural resources of the State and to ensure that teachers in the school system respect the unique qualities of children whose native language is Hawaiian.

Your Committee received testimony in favor of this measure from the Department of Education and the Office of Hawaiian Affairs.

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 concurs with the intent and purpose of H.R. No. 215 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 1310-96 Hawaiian Affairs and Housing on H.C.R. No. 220**

The purpose of this measure is to recognize all native speakers of the Hawaiian language as unique and precious cultural resources of the State and to ensure that teachers in the school system respect the unique qualities of children whose native language is Hawaiian.

Your Committee received testimony in favor of this measure from the Department of Education and the Office of Hawaiian Affairs.

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 concurs with the intent and purpose of H.C.R. No. 220 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 1311-96 Hawaiian Affairs and Housing on H.R. No. 125**

The purpose of this resolution is to request the Office of State Planning (OSP) to work with the Hawaii Council on Language Planning and Policy (Council) to develop, if feasible, a plan that would address the needs of non-English speaking and limited-English speaking residents to allow them access to state services.

The Office of Hawaiian Affairs submitted testimony in support of the intent of this measure.

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

- (1) Clarifying that it is the Hawaiian language and not "pidgin" that is recognized by the State Constitution as one of the two official languages of Hawaii;
- (2) Clarifying that one of the Council's goals is to draft a language plan that would provide for recognition and promotion of Hawaiian as an official language with equal status to English;
- (3) Providing that the OSP or its successor entity work with the Council; and
- (4) Making technical, nonsubstantive amendments for purposes of 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 concurs with the intent and purpose of H.R. No. 125, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 125, H.D. 1.

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

**SCRep. 1312-96 Hawaiian Affairs and Housing on H.C.R. No. 126**

The purpose of this concurrent resolution is to request the Office of State Planning (OSP) to work with the Hawaii Council on Language Planning and Policy (Council) to develop, if feasible, a plan that would address the needs of non-English speaking and limited-English speaking residents to allow them access to state services.

The Office of Hawaiian Affairs submitted testimony in support of the intent of this measure.

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

- (1) Clarifying that it is the Hawaiian language and not "pidgin" that is recognized by the State Constitution as one of the two official languages of Hawaii;
- (2) Clarifying that one of the Council's goals is to draft a language plan that would provide for recognition and promotion of Hawaiian as an official language with equal status to English;
- (3) Providing that the OSP or its successor entity work with the Council; and
- (4) Making technical, nonsubstantive amendments for purposes of 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 concurs with the intent and purpose of H.C.R. No. 126, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 126, H.D. 1.

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

**SCRep. 1313-96 Hawaiian Affairs and Housing and Human Services on H.R. No. 281**

The purpose of this resolution is to request that the Office of Hawaiian Affairs (OHA) provide matching funds to the State's Open Doors Program (Program) to allow more children of Hawaiian ancestry to benefit from its services.

The Program has been successful in providing state-funded financial aid services that permit children to attend a wide variety of preschool programs. There are many children of Hawaiian ancestry who are on a long waiting list and are missing the opportunity to attend early childhood programs. This is a request to the trustees of OHA to consider making contributions to match funding resources and form interagency agreements for the administration of the funds.

The Education Officer of OHA provided testimony in support of the intent of this measure, but expressed concern about establishing a process to validate that qualified applicants are fifty percent or more of Hawaiian ancestry. The Board of Trustees of OHA needs to consider the parameters for use of the trust funds, as well as approval for the funds.

The Office of Children and Youth presented testimony in support of this resolution, indicating that the Program has never been able to help all children who apply.

Your Committees find that the Program, working in cooperation with OHA, can serve even more children of Hawaiian ancestry while keeping costs of new development program administration to a minimum. Approximately forty percent of the Program's participants are children of Hawaiian ancestry. There are approximately 400 four-year old applicants for the current 1995-1996 school year who did not receive funding. Therefore, the matching funds requested from OHA are intended to be a supplement to, and not a replacement for, state funding.

Your Committees recommend that requiring qualified applicants to provide birth certificates to confirm their fifty percent or more Hawaiian ancestry be one of the parameters for use of the trust funds for the Program.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Housing and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 281, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hamakawa, Kawakami and Kawanakoa.

**SCRep. 1314-96 Hawaiian Affairs and Housing and Human Services on H.C.R. No. 298**

The purpose of this concurrent resolution is to request that the Office of Hawaiian Affairs (OHA) provide matching funds to the State's Open Doors Program (Program) to allow more children of Hawaiian ancestry to benefit from its services.

The Program has been successful in providing state-funded financial aid services that permit children to attend a wide variety of preschool programs. There are many children of Hawaiian ancestry who are on a long waiting list and are missing the opportunity to attend early childhood programs. This is a request to the trustees of OHA to consider making contributions to match funding resources and form interagency agreements for the administration of the funds.

The Education Officer for OHA provided testimony in support of the intent of this measure, but expressed concern about establishing a process to validate that qualified applicants are fifty percent or more of Hawaiian ancestry. The Board of Trustees of OHA needs to consider the parameters for use of the trust funds, as well as approval for the funds.

The Office of Children and Youth presented testimony in support of this resolution, indicating that the Program has never been able to help all children who apply.

Your Committees find that the Program, working in cooperation with OHA, can serve even more children of Hawaiian ancestry while keeping costs of new development program administration to a minimum. Approximately forty percent of the program's participants are children of Hawaiian ancestry. There are approximately 400 four-year old applicants for the current 1995-1996 school year who did not receive funding. Therefore, the matching funds requested from OHA are intended to be a supplement to, and not a replacement for, state funding.

Your Committees recommend that requiring qualified applicants to provide birth certificates to confirm their fifty percent or more Hawaiian ancestry be one of the parameters for use of the trust funds for the Program.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Housing and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 298 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hamakawa, Kawakami and Kawanakoa.

**SCRep. 1315-96 Education on H.R. No. 76**

The purpose of this resolution is to request the Department of Education to utilize the Learning Center Program and all relevant learning centers in the statewide system to promote responsible, profitable entrepreneurship in the public school system.

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 concurs with the intent and purpose of H.R. No. 76 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takamine and Yonamine.

**SCRep. 1316-96 Education on H.C.R. No. 70**

The purpose of this concurrent resolution is to request the Department of Education to utilize the Learning Center Program and all relevant learning centers in the statewide system to promote responsible, profitable entrepreneurship in the public school system.

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 concurs with the intent and purpose of H.C.R. No. 70 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takamine and Yonamine.

**SCRep. 1317-96 Education on H.R. No. 84**

The purpose of this resolution is to request the Governor, the Board of Education, and the Department of Education to reaffirm their commitment to providing quality after-school child care through the A+ Program that is affordable and accessible.

The Department of Education submitted testimony concurring with 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 concurs with the intent and purpose of H.R. No. 84 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takamine and Yonamine.

**SCRep. 1318-96 Education on H.C.R. No. 79**

The purpose of this concurrent resolution is to request the Governor, the Board of Education, and the Department of Education to reaffirm their commitment to providing quality after-school child care through the A+ Program that is affordable and accessible.

The Department of Education submitted testimony concurring with 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 concurs with the intent and purpose of H.C.R. No. 79 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takamine and Yonamine.

**SCRep. 1319-96 Education on H.R. No. 163**

The purpose of this resolution is to support a caring and nurturing school environment through the development of schools-within-schools and other personalized approaches to improved learning opportunities.

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 concurs with the intent and purpose of H.R. No. 163 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara, Santiago and Takamine.  
(Representative Yonamine voted no.)

**SCRep. 1320-96 Education on H.C.R. No. 162**

The purpose of this concurrent resolution is to support a caring and nurturing school environment through the development of schools-within-schools and other personalized approaches to improved learning opportunities.

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 concurs with the intent and purpose of H.C.R. No. 162 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara, Santiago and Takamine.  
(Representative Yonamine voted no.)

**SCRep. 1321-96 Education on H.R. No. 191**

The purpose of this resolution is to request the Department of Education to work with the President of the Senate and the Speaker of the House of Representatives to establish a Legislative Internship Program for secondary school students beginning with the 1996-1997 school year.

The Department of Education submitted testimony concurring with 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 concurs with the intent and purpose of H.R. No. 191 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Santiago and Takamine.

**SCRep. 1322-96 Education on H.C.R. No. 191**

The purpose of this concurrent resolution is to request the Department of Education to work with the President of the Senate and the Speaker of the House of Representatives to establish a Legislative Internship Program for secondary school students beginning with the 1996-1997 school year.

The Department of Education submitted testimony concurring with 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 concurs with the intent and purpose of H.C.R. No. 191 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Santiago and Takamine.