

STANDING COMMITTEE REPORTS

SCRep. 1 Judiciary on H.B. No. 117

The purpose of this bill is to propose an amendment to Article I, section 5 of the Constitution of the State of Hawaii to clarify that statutes, regulations, laws, rules, orders, decrees, and legal doctrines that define or regulate marriage, the parties to marriage, or the benefits of marriage shall not be deemed in violation of that section or any other section of the Hawaii State Constitution by virtue of a limitation of the marriage relationship to the union of only one man and one woman.

Testimony in support of the measure was received by your Committee from representatives of the Hawaii Catholic Conference, Hawaii's Future Today and numerous other organizations and private citizens.

Testimony in opposition to the measure was received by your Committee from representatives of the Hawai'i Civil Rights Commission, the Glea Foundation and numerous other organizations and private citizens.

Your Committee finds that in 1994 this Legislature adopted Act 217 relating to marriage in order to firmly state the Legislature's view that marriage in the State of Hawaii is reserved exclusively for the lawful union of one man and one woman.

Act 217 was necessary because the Hawaii Supreme Court in *Baehr v. Miike* incorrectly interpreted existing state law, both statutory and constitutional, when it held that Hawaii's marriage laws discriminated on the basis of sex against same-sex couples.

Since that time the judicial branch of government has continued to assert an interpretation of our State Constitution which is both unprecedented in judicial history and clearly contradictory to the intent of the framers of our Constitution.

Your Committee finds that no serious claim can be made that the voters of this state or the authors of our Hawaii Constitution intended that the prohibition of sex discrimination in our Constitution was a mandate to the State to issue marriage licenses to couples of the same sex.

Your Committee finds that when an interpretation of the Constitution of the State of Hawaii does violence to the will of the voters who adopted it, it is necessary and proper to submit the matter to the voters for resolution.

The citizens of the State of Hawaii are the ultimate constitutional authority. The Constitution is an expression of their will, not the will of any branch of government.

Your Committee finds that the issues of whether or not to issue marriage licenses to same sex couples and whether or not to extend the benefits and obligations which have been reserved to married couples to couples of the same sex are properly the province of the legislature, and that this proposed amendment to our Constitution will, if ratified, confirm that these policy issues remain with the Legislature and not the Courts.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 117 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 2 Judiciary on H.B. 116

The purpose of this bill is to create a structure to make certain rights and benefits presently available only to married couples available to couples comprised of individuals who are legally prohibited from marrying one another.

Testimony in support of the measure was received by your Committee from several members of the public.

Testimony in opposition to the measure was received by your Committee from a number of private citizens.

Your Committee finds that there are many couples comprised of individuals who are prohibited by law from marrying, yet who nonetheless maintain such a close relationship with each other that they wish to designate each other as beneficiary of a number of benefits presently available only to married couples.

Your Committee finds that when illness, death, or financial hardship strikes one party in a relationship, the parties lack the protections that long-established legal doctrines afford married couples under the the same circumstances.

Your Committee finds that it is appropriate to address the concerns of those couples by creating a legal structure for reciprocal beneficiaries.

Because this structure is not available to those couples who can legally marry, it does not threaten to undermine marriage between couples of the opposite sex.

Your Committee believes that this measure, in providing for the right to hospital visitation and the right to make health care decisions for the other party, the right to hold property as tenants by the entireties, inheritance rights, and the right to sue for wrongful death, will be of substantial benefit to many people in our community.

Finally, your Committee believes it is appropriate to make the effective date of this measure coincide with the ratification of the Constitutional Amendment, which proposes to clarify that marriage is defined by the Legislature and not by the Court. This is because if the Amendment is not ratified and the Supreme Court imposes same sex marriage on Hawaii, this measure would be duplicative of some of the benefits that would accrue to same sex couples.

Your Committee has amended the measure by:

- (1) Clarifying the language in section 560:2-802(b)(4) so that it is clear that if the reciprocal beneficiary relationship has been terminated the reciprocal beneficiary is not considered a surviving reciprocal beneficiary; and
- (2) Inserting in Section 15 with respect to the effective date, the identification of the House Bill that contains the proposed Constitutional Amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 118, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 3 Transportation on H.B. No.1

The purpose of this bill, as referred to your Committee on Transportation, is to specify identification requirements for all motor carrier vehicles.

Your Committee finds that motor carrier vehicles are not easy to identify by consumers of such services, and for possible infractions of motor vehicle laws. Your Committee further finds that the various state and federal departments of transportation, and the Public Utilities Commission require name markings for their carriers, but similar rules for private carriers operating in intrastate commerce are not required.

The proposed legislation would require motor carrier vehicles to be marked to insure immediate identification of the name or trade name of the motor carrier or company operating the vehicle, the operator if the name of any person other than the motor carrier or company appears on the vehicle, and the weight and gross weight rating of the vehicle. Specifics for the size, location, color and durability of the markings are included. Rental and leased vehicles have special requirements.

Testimonies in favor of this bill were heard from the Department of Transportation and from the Hawaii Transportation Association.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 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 Yamane.

SCRep. 4 Transportation on H.B. No. 47

The purpose of this bill is to find a solution to problems on the island of Oahu relating to traffic congestion, air pollution, and energy consumption.

Your Committee finds that High Occupancy Vehicle (HOV) lanes are safe and cost-effective solutions for reducing traffic congestion, and have positive effects on air quality and energy.

This bill directs the Oahu Metropolitan Planning Organization to develop a feasibility assessment and implementation plan for the development of an exclusive HOV transit lane system for the island of Oahu. A report of its findings and recommendations is to be submitted to the Governor, the Legislature, and the Mayor and Council of Honolulu by November 25, 1998. This bill appropriates \$500,000 for the fiscal year of 1997-1998 which is dependent on an appropriation of matching funds by the City and County of Honolulu.

Testimonies in support of this measure were heard from the Department of Transportation and the Leeward Oahu Transportation Management Association.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 47 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yamane.

SCRep. 5 Transportation on H.B. No. 14

The purpose of this bill, as referred to your Committee on Transportation, is to provide a driver charged with driving without a license who holds an out-of-state license the same license exemption as other licensed drivers.

Your Committee finds that a driver who is cited for a violation of Section 286-116a, Hawaii Revised Statutes, who holds an out-of-country or Hawaii State driver's license is permitted to present the person's license in court as an affirmative defense. However, a person who holds an out-of-state license is not permitted to present that person's license

in court as an affirmative defense for the same type of violation. Your Committee further finds that there is no practical reason to distinguish resident drivers from out-of-state drivers.

This bill deletes the mandatory possession of an out-of-state driver's license, and allows an exemption to a driver holding an out-of-state license as an affirmative defense.

Testimony in favor of this bill was heard from a private citizen.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 14 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yamane.

SCRep. 6 Finance on H.B. No. 230

The purpose of this bill is to authorize funds for the expenses of the Legislature up to and including June 30, 1998, and to provide funds for the expenses of the legislative support agencies during the 1997-1998 fiscal year.

Your Committee has amended the bill by providing the appropriation amounts for the Legislature and the legislative support agencies.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 230, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 230, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Fox and Meyer.

SCRep. 7 Transportation on H.B. No. 20

The purpose of this bill, as received by your Committee on Transportation, is to establish a graduated vehicle licensing procedure for persons under the age of seventeen to place reasonable restraints on youthful drivers.

Your Committee finds that persons under the age of eighteen are involved in violations of motor vehicle laws out of proportion to their numbers, and that automobile accidents are a leading killer of teenagers.

This bill proposes to grant a learner's permit, valid for up to two hundred seventy days, for a person at least fifteen years of age. A person who is at least fifteen and a half years of age may be granted an intermediate license if the person has been issued and has retained a valid learner's permit for a period of at least six months and no proceeding that might result in the suspension or revocation of the learner's permit is pending. A licensed driver at least twenty-one years of age must accompany the driver with a learner's permit at all times.

The intermediate license is valid for a period of at least eighteen months, but the licensee must have a licensed driver at least twenty-one years of age in the vehicle if the operator is driving after eleven o'clock p.m. or before five o'clock a.m.

A driver becomes eligible for a (regular) driver's license at the age of eighteen.

Testimonies in favor of this bill were heard from the Department of Transportation, the City and County of Honolulu, the Insurers Council, the National Association of Independent Insurers, the American Academy of Pediatrics, Mothers Against Drunk Driving, six members of Youth in Action, and a parent.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 20 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 8 Transportation on H.B. No. 22

The purpose of this bill, as referred to your Committee on Transportation, is to reduce incidents of persons driving under the influence of drugs.

Your Committee finds that persons driving under the influence of drugs are prone to accidents resulting in injuries and fatalities to themselves, their passengers, pedestrians, and occupants of other vehicles. Your Committee further finds that while a person suspected of driving under the influence of alcohol is required to undergo testing or have the person's license suspended, a person suspected of driving under the influence of drugs does not face similar sanctions for refusing a blood or urine test. Although drug and alcohol abuse were both considered when the implied consent law was being considered, drug abuse was withdrawn because of the lack of availability of drug testing facilities, which is no longer a problem.

The proposed law establishes implied consent to drug testing for drivers of vehicles suspected of driving under the influence of drugs. Drivers who refuse to submit to drug testing face suspensions of their licenses.

Testimonies in favor of this bill were heard from the City and County of Honolulu, the County of Maui, Legislative Information Service of Hawaii, Inc., Clinical Laboratories of Hawaii, an Emergency Physician, Mothers Against Drunk Driving, and ten members of Youth in Action.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 22 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 9 Transportation on H.B. No. 41

The purpose of this bill, as referred to your Committee on Transportation, is to expedite the serving of summons and citations for violations relating to High Occupancy Vehicle (HOV) lanes.

Your Committee finds that Act 224, Session Laws of Hawaii (SLH) 1993, provided that summons or citations for illegal use of HOV lanes could be sent by certified or registered mail. Your Committee further finds that this provision was to expire on June 30, 1995, but was extended to June 30, 1997 by Act 25 SLH 1995. Your Committee agrees that continuance of this provision for serving summons and citations is desirable.

Your Committee further finds that there are times when the director of transportation should be able to authorize the use of HOV lanes regardless of the number of occupants in a vehicle.

This bill proposes to amend Act 25 by repealing the expiration date to make permanent the authority of the Honolulu Police to mail summons and citations to violators of HOV lanes.

Testimonies in favor of this bill were heard from the Department of Transportation, Leeward Oahu Transportation Management Association, and the Chamber of Commerce of Hawaii.

Your Committee has amended this bill by authorizing the Director of Transportation to permit vehicles, regardless of the numbers of occupants in the vehicles, to use HOV lanes when such use is determined to enhance public safety and improve traffic conditions.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 41, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 41, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 10 Human Services and Housing and Health on H.B. No. 120

The purpose of this bill is to:

- (1) Extend the PACE demonstration project in the Department of Health's Maluhia long term care health center to June 30, 2002.

Written and oral testimony, received from both the Department of Human Services and the Hawaii Health Systems Corporation, revealed wholehearted support for this measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 120 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Saiki and Stegmaier.

SCRep. 11 Human Services and Housing on H.B. No. 147

The purpose of this bill is to create a task force consisting of members of the House of Representatives and the Senate to develop realistic alternatives for addressing the current and future long-term care needs of the people of Hawaii.

Testimony in support of this measure was received from Faith in Action for Community Equity and the Hawaii Long Term Care Association. The Hawaii Government Employees Association submitted testimony in support of the intent of this measure. The Arc in Hawaii, the American Association of Retired Persons, the Coalition of Affordable Long Term Care, and the Research Information Services submitted testimony in support of this measure along with suggested amendments. The Kokua Council and a concerned citizen submitted comments on this measure.

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

- (1) Establishing a joint legislative committee rather than a task force to give more credence and power to the committee;
- (2) Changing the focus of the joint legislative committee to develop a sound financial plan, rather than "realistic alternatives", to address the current and future long-term care needs of the people of Hawaii; 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 147, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 147, HD 1, and be referred to the Committee on Finance.

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

SCRep. 12 Human Services and Housing on H.B. No. 158

The purpose of this bill is to appropriate funds for the establishment of:

- (1) A statewide community college training program for family caregivers and respite workers; and
- (2) A program component to provide day care services for the elderly while their caregivers attend training sessions.

The American Association of Retired Persons and the University of Hawaii submitted testimony in support of this measure. The Executive Office on Aging submitted testimony in support of this measure insofar as it does not replace the current priorities as indicated in the Executive Biennium Budget.

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

- (1) Deleting the \$158,000 appropriation and inserting the amount of \$1 for the purpose of continued discussion;
- (2) Expanding training programs to include other training institutions;
- (3) Clarifying that the program component to provide day care services for the elderly while their caregivers attend training sessions is made available by a community college or other training institution, but is not necessarily a direct service provided by the community college or training institution; and
- (4) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 158, HD 1, and be referred to the Committee on Finance.

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

SCRep. 13 Human Services and Housing on H.B. No. 124

The purpose of this bill is to:

Appropriate funds for the youth gang response system program to provide meaningful and productive alternatives to anti-social gang activities by providing funding for the youth gang response system.

Extensive written and oral, expert and non-expert testimony proffered on this measure revealed much concern over the problems caused by youth gang activity in Hawaii.

The general consensus of testimony offered by the Office of Youth Services (DHS), the Hawaii Youth Services Network, the Social Science Research Institute, the Youth Gang Response System working committee, community Youth Gang Response System members, the Honolulu Police Department, representatives of the outer island police departments, the Department of Education, among other concerned citizens, indicated high regard for the collaborative nature of the Youth Gang Response System and its successful efforts in stemming the tide of youth gang violence and activity in our State. All parties agreed that a mix of prevention and intervention was needed to obtain the goal of reduction in gang membership.

There was, however, some difference of opinion regarding just where the primary emphasis for funding should lie, either in prevention or intervention. Most believed that the current mix of preventative and intervention strategies were necessary and the overwhelming majority of testimony agreed that although much had been accomplished during the Youth Gang Response System's eight-year history, an ever-vigilant effort is still needed to obtain a higher degree of success. There was testimony by one renowned expert whose research has indicated that more focus should be placed on the individual youths themselves rather than on the system.

This expert's testimony pleaded for more funding toward efforts to help at-risk youth develop a more positive self image. It was stated that by effecting a more positive view of oneself, the individual youth can begin caring for others, and that it is this transformation that lies at the very core of the gang problem and eventual solution.

Your Committee has requested that the purpose of the bill should be amended to include the words prevention and intervention, both to be used as means of combating gang activity. Your Committee has further requested that it be provided with additional data pertaining to risk factors for youth and gangs and for a means for monitoring said data.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 124, HD 1, and be referred to the Committee on Judiciary.

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

SCRep. 14 Transportation on H.B. No. 2

The purpose of this bill is to enforce the State's motor carrier laws on shippers and consignees who engage the services of illegal motor carriers.

Your Committee on Transportation finds that the current statute does not provide sufficient enforcement authority of the State's motor carrier laws on shippers and consignees engaging the illegal services of motor carriers. The Committee further finds that the imposition of civil and criminal penalties on such shippers and consignees will strengthen the enforcement provisions of the State's motor carrier laws.

This bill proposes to hold accountable any shipper or consignee who engages the services of motor carriers violating provisions of chapter 271, or any rule, regulation or order issued pursuant to the chapter. Persons found guilty of this chapter shall be subject to criminal and civil penalties. Further, the bill allows the enforcement officer of the Public Utilities Commission and a duly assigned Department of Transportation motor vehicle officer to issue citations to shippers and consignees engaging the illegal services of motor carriers.

Testimonies in favor of this bill were heard from the Department of Transportation, Hawaii Transportation Association and Public Utilities Commission.

Your Committee has amended this bill by amending subsections (a), (h), and (j) to include the language: "any shipper or consignee located in the State, or any officer, agent, employee, or representative thereof, who knowingly and wilfully engages the services of any person violating any provision of this chapter" to further clarify the extent to which this bill intends to impose the provisions of the State's motor carrier law.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2, HD 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 15 Transportation on H.B. No. 8

The purpose of this bill, as referred to your Committee on Transportation, is to provide increased safety for motor vehicle passengers.

Your Committee finds that only drivers and front seat passengers are now required to use seat belt assemblies, leaving back seat passengers prone to injuries for non-use of seat belts.

Your Committee further finds that injury patterns for rear seat passengers for vehicles involved in accidents are similar to front seat passengers, and that serious injuries may be prevented by using seat belts.

The proposed bill requires all passengers to be restrained by seat belts, and increases fines for violations from twenty dollars to fifty dollars.

Testimonies in support of this measure were heard from the Department of Transportation, the Department of Health, the Insurers Council, and the Keiki Injury Prevention Coalition.

Your Committee has amended this bill by correcting a typographical error on page 2, line 11.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 8, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 8, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 16 Transportation on H.B. No. 19

The purpose of this bill is to establish uniform guidelines for parking spaces reserved for disabled persons.

Your Committee on Transportation finds that the penalties for such violations, and the requirements for signage and markings, for disabled parking spaces, are inconsistent among the various state and county agencies and private property owners, and this inconsistency causes confusion, both to users of the parking spaces and the general public. There is a need and a desire for consistency for both public and private parking spaces reserved for disabled persons.

This bill proposes fines of \$150-\$500 for illegally parking in stalls reserved for the disabled and specifies signage requirements for disabled stalls.

Testimonies in favor of this bill were heard from the Department of Transportation, Commission on Persons with Disabilities, Hawaii Centers for Independent Living, and Handicapped Advocacy Works of Kona.

Your Committee has amended this bill by increasing the proposed fines from \$150-\$500 to \$200-\$500 and the words "Reserved Parking" to be included on signs designating stalls as reserved for disabled persons. Furthermore, the amendments clarify terms used within the amended bill by providing their definitions and includes uniform penalties, signage and markings regarding parking for disabled persons to be enforced throughout the State.

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

Signed by all members of the Committee.

SCRep. 17 Transportation on H.B. No. 88

The purpose of this bill, as referred to your Committee on Transportation, is to prevent injuries and deaths of passengers riding in the beds of pickup trucks.

Your Committee finds that passengers riding in the beds of pickup trucks are at increased risk of injuries and fatalities from falling or being ejected from these vehicle, as compared to passengers riding inside vehicles. Your Committee further finds that in 1996, five people were killed, and an estimated fifty people were hospitalized for serious injuries.

This bill proposes to prohibit any passengers in the beds of moving pickup trucks, except in the case of emergency, agricultural enterprises, businesses serving the public, parades, as approved by the Department of Transportation. Violators shall be subjected to fines of \$500 for each violation.

Testimonies in favor of this bill were heard from the Department of Health, the Hawaii Medical Association, the American Academy of Pediatrics, Keiki Injury Prevention Coalition, the Insurers Council, the Hawaii Nurses' Association, the Hawaii Congress of Parents, Teachers and Students, four persons supplying medical services, Mothers Against Drunk Driving, seven members of Youth in Action, and the Waikiki Gallery of Contemporary Art.

Your Committee has amended this bill by changing the effective date from January 1, 1998 to January 1, 1999.

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

Signed by all members of the Committee.

SCRep. 18 Transportation on H.B. No. 397

The purposes of this bill, as referred to your Committee on Transportation, are to exempt stored vehicles from county motor vehicle taxes, and to establish procedures for junking nonrepairable vehicles.

Your Committee finds that the legislature in 1995 repealed Section 249-5, Hawaii Revised Statutes (HRS), which provided for exemptions from county vehicle taxes for stored vehicles, and for the disposition of license plates for which registrations had expired. Your Committee further finds that there is no procedure for an owner who desires to junk that person's vehicle.

This bill proposes to restore the provisions of the former Section 249-5, HRS, and to require a certificate of inspection that was issued after the recording of the storage before removal of a vehicle from storage. This bill also permits an owner to junk a vehicle upon presenting a signed statement of the junking and the certificate of title to the county director of finance. All vehicles that are junked shall never again be titled or registered.

Testimony in favor of this bill was heard from the City and County of Honolulu.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 397 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 397, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 19 Economic Development and Business Concerns on H.B. No. 351

The purpose of this bill is to expedite and facilitate the approval process within each state agency for county building permit applications requiring state agency approval.

Specifically, the bill proposes to do this by:

- (1) Establishing a permit process task force within the Department of Business, Economic Development, and Tourism (DBEDT) to streamline and facilitate the state permit approval process by, among other things, determining which permits are to be approved by administrative rule (permit by rule) and which permits are to be approved by review by the appropriate state agencies (permit by review);
- (2) Making DBEDT the lead agency to administer and facilitate the consolidated application process for projects requiring both county permit applications and state agency approval;
- (3) Requiring county permit applications requiring state permit review and approval to undergo the consolidated application process; and

- (4) Exempting from the county permit approval process, except when the construction or development has an effect on county services, all permit approvals for public buildings and structures on public land that are not dedicated to any county.

Your Committee recognizes that every effort must be made to expedite the process in which state agency permits are reviewed and approved for county building projects, as any unnecessary and duplicative delays in the permit process are costly and burdensome to both businesses and consumers. Your Committee further recognizes that eliminating unnecessary delays in the permit process would be a boon to our state economy by stimulating the construction industry, creating jobs, and helping business and investment in general. However, your Committee is also aware that efforts to streamline and expedite the permit process must be coupled with balance and fairness to ensure that there are appropriate safeguards to protect the health, safety, and welfare of the public.

Testimony in support of the bill was submitted by the American Institute of Architects/Hawaii State Council, the Hawaii Business Roundtable, the Kauai Economic Development Board, the Hawaii Island Contractors' Association, Pacific Resource Partnership, and the Plumbers and Fitters United Association, Local 675. DBEDT, the Department of Accounting and General Services, and the Land Use Research Foundation of Hawaii also submitted supporting testimony and made recommendations to the bill. Comments were submitted by the Consulting Engineers Council of Hawaii. Testimony in opposition to the bill was submitted by the Department of Land Utilization of the City and County of Honolulu, Hawaii's Thousand Friends, and the Sierra Club.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 351 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 Cachola, Ito, Takai and Aiona.

SCRep. 20 Higher Education on H.B. No. 274

The purpose of this bill is to permanently authorize the Board of Regents to set the salary of the President of the University of Hawaii.

Currently the Board of Regents sets the President's salary. However, pursuant to a proviso, the salary would be set by the Legislature after July 1, 2011. This bill proposes to delete this proviso.

Testimony in favor of this bill was received from the University of Hawaii Board of Regents.

As the governing body of the University of Hawaii, the Board of Regents is charged with the responsibility of selecting a President. Setting the annual compensation for the President is critical to setting the conditions of employment. Your Committee finds that this practice is consistent with that of other universities across the nation.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 274 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 21 Higher Education on H.B. No. 585

The purpose of this bill is to provide the Center for Labor Education and Research (Center) with sufficient resources by:

- (1) Requiring it to operate with a core staff of at least five permanent positions in addition to the director; and
- (2) Appropriating funds for the Center and for the development of a labor studies degree program.

The Hawaii State Teachers Association and Hotel Workers Local 5 submitted testimony in support of the measure. The University of Hawaii supported the concept of the bill.

Your Committee finds that the labor movement has been a major part of contemporary Hawaiian history. Organized labor continues to be important in the socio-economic-political arena, and labor education and research must be adequately supported.

The proposed appropriations are intended to:

- (1) Complete the transfer of the Center to the West Oahu campus;
- (2) Pay for the salaries of the core staff; and
- (3) Fund the production of "Rice and Roses," a public television program.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 585 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 22 Human Services and Housing on H.B. No. 480

The purpose of this bill is to restore cash assistance and food stamp benefits, which were disallowed by federal law, to qualified individuals convicted of felony drug possession, use, or distribution.

The Hawaii Paroling Authority, Hoomau Ke Ola, the National Association of Social Workers, and three concerned individuals submitted testimony in support of this measure. The Department of Human Services, the Department of Public Safety, the Judiciary, the Department of Health, the Attorney General, the Salvation Army, Family Treatment Services, and Habilitat submitted testimony in support of this measure, but recommended making clarifying amendments.

Based on these recommendations, your Committee has amended this measure by clarifying that Section 115(a) of Public Law 104-193 shall not apply to persons who are complying with treatment or who have not refused or failed to comply with treatment.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 480, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 480, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 23 Agriculture on H.B. No. 235

The purpose of this bill is to appropriate funds for fiscal year 1997-1998 to fund the anthurium in-vitro propagation certification and indexing project (Project) at the University of Hawaii at Hilo.

The bill, as heard by your Committee, contained an appropriation of \$57,516 for fiscal year 1997-1998, to fund the Project at the University of Hawaii at Hilo. The sum would be expended as follows:

- (1) \$2,216 for greenhouse materials;
- (2) \$27,000 for a research associate II position;
- (3) \$14,000 for a research associate II position (0.5 FTE);
- (4) \$12,300 for benefits; and
- (5) \$2,000 for laboratory materials and supplies.

The Hawaii Anthurium Industry Association submitted testimony in support of the bill.

Upon consideration, your Committee has amended this bill by:

- (1) Replacing the total appropriation sum with \$1 to facilitate further deliberation on the financial aspects of the bill; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 235, HD 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 24 Water and Land Use on H.B. No. 417

The purpose of this bill is to strengthen the State's Na Ala Hele Program (Program) which is responsible for developing a statewide trail and access system.

This bill requires that 0.3 percent of the revenues derived from non-highway recreational vehicle fuel taxes shall be allocated to the Program and that these revenues represent its base funding.

Your Committee finds that the Program is currently funded through non-permanent and fluctuating legislative appropriations and federal grants. Permanent sources of funding are needed to ensure the continued success of this Program.

The Department of Land and Natural Resources (DLNR), the Department of Transportation, the Environmental Center of the University of Hawaii-Manoa, the Hawaii Audubon Society, the Sierra Club, Hawaii Chapter, Ka Lahui Hawaii, the Democratic Party of Hawaii, and Pacific-Asian, Inc., submitted testimony on this measure.

Discussion focused on the most appropriate source of funding for this Program. Some maintained that since the general public benefits from the maintenance and development of public trails, base funding for this Program should ideally come from the general tax revenues rather than from fuel tax revenues generated by non-highway recreational vehicles.

However, given the current economic climate of the state, earmarking general tax revenues in this instance is not a realistic option.

Upon further consideration, your Committee concurred with DLNR's recommendation to further strengthen the Program by authorizing it to receive user fees derived from commercial hiking activities on public trails as well as private donations, and requiring that the funds be deposited into the Special Land and Development Fund.

Accordingly, your Committee has deleted the substance of this bill and inserted the substance of H.B. No. 1744, which:

- (1) Allows the following to be deposited into the Special Land and Development Fund to be used for the Program:
 - (A) 0.3 percent of the highway fuel tax collected under chapter 243, Hawaii Revised Statutes, each fiscal year;
 - (B) User fees from commercial hiking activity on public trails; and
 - (C) Private donations;
- (2) Limits the amount used for the Program to \$500,000 for any fiscal year; and
- (3) Appropriates \$1 from the Special Land and Development Fund to be expended by DLNR for the Program.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 417, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 417, HD 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Garcia, Yoshinaga and Thielen.

SCRep. 25 Transportation on H.B. No. 4

The purpose of this bill, as referred to your Committee on Transportation, is to establish a new procedure for organizations and institutions that desire to apply for special number plates for their vehicles.

Your Committee finds that organizations and institutions frequently request legislators to introduce bills for the approval of special license plates. Your Committee further finds that such requests are numerous, and that many applications are rejected or face long delays during the legislative process.

This bill proposes to authorize county directors of finance to issue special license plates to organizations and institutions that conform to established rules. In addition to the decal or graphic representation of the organization, all such plates shall bear the word "Hawaii" along the upper portion of the plate, and the words "Aloha State" along the lower portion.

Testimonies in support of this bill were heard from the City and County of Honolulu and the Department of Land and Natural Resources.

Your Committee has amended this bill by amending Section 1, subsection (a) to read: Beginning January 1, 1998, in lieu of the number plates contracted on behalf of the counties by the director of finance of the city and county of Honolulu, the county directors of finance, by the confirming vote of the majority, may authorize the issuance of special number plates, to any organization or institution in the State that meets the minimum standards and qualifications established under rules adopted in accordance with subsection (b).

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 4, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 4, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 26 Transportation on H.B. No. 15

The purpose of this bill, as referred to your Committee on Transportation, is to increase efficiency in services related to license expiration and renewal, and reactivation of expired licenses.

Your Committee finds that licensing efficiency would be increased by extending the licensing period and by eliminating road tests for drivers whose licenses have expired beyond ninety days, but within one year of the indicated expiration date.

The proposed bill raises the issuance of regular drivers' licenses from age seventeen to age eighteen. Between the ages fifteen to seventeen, a restricted special license may be issued.

In addition, the proposed bill lengthens the renewal time for regular licenses from four to six years and special licenses from two to four years. Moreover, applicants for license renewals will no longer be required to successfully complete the rules of the road knowledge test.

Expired licenses may be reactivated without taking road tests by paying a reactivation fee of \$5 for each thirty-day period that has elapsed after the ninety-day grace period. A road test is required if the license is not reactivated within one year of the indicated expiration date. A special provision pertains to motor scooter and motorcycle licensees: The examiner of vehicles may waive the actual demonstration of ability to operate a motorcycle or motor scooter for any

person who furnishes evidence to the satisfaction of the examiner of drivers of completion of a motorcycle education course approved by the state director of transportation.

Testimonies in favor of this bill were received from the Department of Transportation and from the City and County of Honolulu. The City and County suggested that renewal tests could be eliminated, since 90 percent of the drivers pass on their first attempts.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 15 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 27 Transportation on H.B. No. 21

The purpose of this bill is to provide additional protection to the public from persons driving under the influence of intoxicating liquor by specifying that, in the case of certain repeat offenders, the vehicles utilized while driving under the influence will be forfeited to the State for disposition.

The continuing problem of driving under the influence is well documented. Unfortunately, despite increasing attention to this problem from the public and private sectors, including tightening and toughening the consequences of such driving, there still exists a class of drivers who, despite repeated convictions and penalties ranging up to license revocation and incarceration, will nonetheless continue to drive while intoxicated. This bill targets this class of drivers by depriving them of the dangerous instruments of their crimes: their vehicles.

Testimony in favor of this bill was received from several young members of Youth in Action. Testimony in favor of the intent of this bill was received from Mothers Against Drunk Driving and the Hawaii Transportation Association.

At the hearing of this bill, concern was expressed with respect to forfeiture of a vehicle owned by a person or entity other than the drunk driver, or a lienholder, who had no knowledge that the vehicle would be utilized for driving under the influence. As confirmed by the Office of the Prosecuting Attorney of the City and County of Honolulu at the hearing, forfeiture under the bill would be subject to the provisions of chapter 712A, Hawaii Revised Statutes (HRS), our forfeiture statute. This chapter includes section 712A-10(5), HRS, referred to as the "innocent owner defense," which provides a remedy to an owner or lienholder in such circumstances.

At the public hearing, the Honolulu Police Department also commented that providing for broad forfeiture may create serious administrative burdens for which the county police departments are not currently prepared. To address this concern, and also to conform more closely with current habitual offender statutes, your Committee has amended this bill to provide for forfeiture on and after the third conviction for driving under the influence in any five-year period.

Your Committee also made a technical, nonsubstantive amendment for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 21, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 21, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 28 Transportation on H.B. No. 33

The purpose of this bill is to establish a transportation improvement revolving fund to assist developers required to implement transportation improvements as a condition of development.

Your Committee on Transportation finds that the Federal Highway Administration requires the establishment of a fund to ensure that federal funds will be used for the intended transportation purposes. This fund provides a timely implementation of high priority transportation projects and assists developers required to implement transportation improvements as a condition of development.

This bill proposes to establish a fund from reimbursements of the public funds that were advanced to developers. The public funds are provided to the developers who match those funds at the onset of the project, and repay the public portion, up to the limits of their required obligation, as their development progresses. Developers will be offered a financing option to fulfill their financial obligation for the costs of required transportation projects if these projects meet federal and state eligibility requirements. This fund will be administered by the director of transportation and appropriations by the legislature will be made for expenditures from the fund.

Testimonies in favor of this bill were heard from the Department of Transportation, City and County of Honolulu, County of Kauai, County of Hawaii, County of Maui, Estate of James Campbell, OMPO, and LOTMA.

Your Committee has amended this bill by limiting the amount of funds the director of transportation may expend from the special fund to the amount appropriated by the legislature by deleting lines 7 to 9 of section (a) and sections (1) and (2). Further, the section name is changed to "Transportation improvement special fund".

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 33, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 33, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 29 Transportation on H.B. No. 92

The purpose of this bill is to encourage responsible participation in the hobby of collecting, preserving, restoring, and maintaining motor vehicles of historic and special interest by regulating the registration of these special interest vehicles.

Special interest vehicles include street rod vehicles or street rod replica vehicles that were manufactured before 1949 or manufactured after 1948 to resemble a vehicle manufactured before 1949.

Several individuals testified in favor of this measure. The Department of Transportation and the Hawaii Automotive Retail Gasoline Dealers supported the intent of this measure.

The Department of Finance of the City and County of Honolulu opposed the measure as received, but recommended several amendments:

- (1) The bill provides that a street rod vehicle or street rod replica vehicle be based on its make, or what is normally the name of the manufacturer (e.g., Ford or Chevrolet). The Director of Finance suggested that it would be more appropriate to identify a street rod vehicle or street rod replica based on body type, rather than the make of the vehicle;
- (2) The provision allowing the issuance of a new title for a street rod vehicle when the applicant submits a bill of sale from the previous owner should be deleted. The only document providing proof of ownership is the vehicle's title. If an applicant does not have the vehicle's title, section 286-42, Hawaii Revised Statutes, allows the applicant to submit a defective title bond for the retail value of the vehicle as a condition for the subsequent issuance of a title by the Director of Finance. All fifty states have the same bonding provision for an applicant who cannot provide proof of ownership for a vehicle the applicant is trying to register; and
- (3) Since state and county motor vehicle taxes are based on the weight of the vehicle, the Director of Finance opposed provisions allowing for the self-certification of the vehicle's weight. The bill should be amended to require a weight certificate issued by a state certified scale for the actual weight of the vehicle.

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

- (1) Providing that a street rod vehicle or street rod replica vehicle be identified by its body type;
- (2) Deleting the provision allowing the issuance of a new title for a street rod vehicle when the applicant submits a bill of sale from the previous owner;
- (3) Requiring a weight certificate issued by a state certified scale for the actual weight of the vehicle;
- (4) Deleting the requirement that vehicles are to be driven only during fair weather and on well-maintained public highways;
- (5) Deleting the provision allowing special interest vehicle collectors to maintain vehicles on private property without regard to the operability of the vehicle; and
- (6) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 92, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 92, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 30 Transportation on H.B. No. 878

The purpose of this bill, as referred to your Committee on Transportation, is to increase bicycle safety education for public school children.

Your Committee finds that the number of motor vehicle-bicycle accidents, resulting in injuries and fatalities to bicycle riders, makes it imperative that education about potential hazards associated with biking be stressed in our public schools. Your Committee further finds that bicycle safety education has made children and their parents more aware of accident prevention practices.

This bill proposes to appropriate \$120,000 for each of the years 1997-1998 and 1998-1999 for the expansion of the bicycle education program of the Hawaii Bicycling League to provide instruction in bicycle safety to all public school children in Hawaii.

Testimonies in support of this measure were heard from the Department of Education, the City and County of Honolulu, Pauoa School, the County of Hawaii, the County of Maui, Peoples Advocacy for Trails Hawaii, Maui Youth and Family Services, Inc., Hawaii Bicycling League, bicycle retailers, the Hawaii Bicycling League, and two interested citizens.

Your Committee has amended this bill by reducing the appropriation from \$120,000 for each fiscal year to \$1 to permit the Committee on Finance to appropriate an appropriate amount, and by eliminating reference to the Hawaii Bicycling League, since the outside Islands have or may have other resources for bicycle education instruction.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 878, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 878, HD 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 31 Transportation on H.B. No. 6

The purpose of this bill, as referred to your Committee on Transportation, is to change the boundaries of the Kakaako community development district by excluding Piers 1 and 2 at Fort Armstrong.

Your Committee finds that Piers 1 and 2 at Fort Armstrong include vital and unique maritime cargo facilities that cannot be relocated and would be prohibitively expensive to duplicate. Piers 1 and 2, as well as access roads and backup lands to these piers, must be protected and preserved: to insure safe and navigable turning basins, channels, and approaches to berths; to allow for upgrading of existing cargo handling facilities; to expand and improve these facilities consistent with the predicted growth of future cargo requirements; and for the safe and effective berthing of major cargo vessels.

The proposed legislation would change the boundaries of the Kakaako community development district to exclude Piers 1 and 2 at Fort Armstrong.

Testimonies in favor of this bill were heard from the Seafarers International Union, Sea-Land Service, Inc., Hawaii Stevedores, Inc., Sause Bros., Inc., Sealand and a harbor pilot. Testimonies against this bill were heard from the Department of Transportation and the Hawaii Community Development Authority.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 6 and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee.

SCRep. 32 Health and Human Services and Housing on H.B. No. 122

The purpose of this bill establishes an Early Intervention Trust Fund as means of providing early intervention services to infants and toddlers with special needs.

The extensive testimony received in strong support of this measure indicates that early intervention services for children of special needs is a major concern in our community. In this period of economic distress with budget restrictions and cutbacks, your Committee finds that a Trust Fund is now needed to provide matching federal funds to continue community-based, family-centered early intervention services. Your Committee further finds that the establishment of the Trust Fund allows contributions from private individuals, corporations and foundations. These additional sources of funds provide for expansion and enhancement of early intervention programs.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 122 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Stegmaier and Whalen.

SCRep. 33 Health on H.B. No. 123

The purpose of this bill is to require health care insurers to provide adequate maternity coverage.

The Healthy Mothers, Healthy Babies Coalition of Hawaii submitted testimony in support of the intent of this measure. The Healthcare Association of Hawaii, Hawaii Medical Service Association, Hawaii Medical Association, and Kaiser Permanente submitted testimony in opposition of this measure.

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

- (1) Providing coverage for post-discharge care to the mother and her newborn, which is to consist of a minimum of two visits, at least one of which is to be offered as a home visit by a registered nurse knowledgeable in newborn care and under a physician's supervision, and the initial home or office visit is to be available within forty-eight hours of discharge;
- (2) Including language to prohibit offering incentives to the patient or doctor for early discharge;
- (3) Creating a broad-sector group to:
 - (a) Develop consistent standards of postpartum care for women and newborns;
 - (b) Assess early discharge practices; and
 - (c) Integrate community services and referrals;

- (4) Requiring the broad-sector group to report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 1998;

and

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

Your Committee believes that adequate hospitalization for a mother after the delivery of a child is necessary to ensure the health and well-being of both the mother and the infant. Early discharge may result in more serious problems that require re-admission to the hospital for more costly treatment. Therefore, it is the intent of your Committee to ensure that all health care insurance plans including the State's Health Quest Program provide the same maternity coverage.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 123, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 123, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 34 Health on H.B. No. 632

The purpose of this bill is to make permanent the school-based health service center program in the department of health. This program enhances the accessibility and delivery of primary health care services to adolescents.

Two individuals submitted testimony in support of this measure. The department of education submitted testimony in support of the intent of this measure. With regard to funding, the department of education deferred to the department of health, as it is the identified expending agency. The department of health submitted testimony in support of the intent of this measure, but reported that there were no funds available within the existing budget to support school-based health service centers.

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

- (1) Requiring the department of education to have school community based management involvement in decision-making to establish school-based health service centers, except for cases in which school community based management does not exist for the school being considered for a health center;
- (2) Developing a fee structure for services provided by a clinic but which shall not require payment from students who are uninsured or unable to pay;
- (3) Providing confidentiality for all student medical records; and
- (4) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 632, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 632, HD 1, and be referred to the Committee on Education.

Signed by all members of the Committee.
(Representatives Pendleton and Whalen voted no.)

SCRep. 35 Health on H.B. No. 1506

The purpose of this bill appropriates funds for school-based clinics to maximize opportunities to improve the health of secondary school students.

Wahiawa General Hospital, Kahuku High School Health Learning Center and Family Health Services submitted strong support of this measure. The Department of Education and the Department of Health submitted testimony in support of the intent of this measure.

Your Committee finds that school-based health services address the physical and emotional well-being of students so they may maximize their learning potential in class. Your Committee further finds that these services help students to reduce risk-taking behavior including those leading to teen pregnancy, sexually transmitted diseases, drug and alcohol use and suicide.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1506 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 36 Judiciary on H.B. No. 111

The purpose of this bill is to establish the criminal offense known as continuous sexual abuse of a child, similar to the statute enacted by California, that defines the circumstances and provides specific guidelines under which the sexual assault of a minor is deemed a continuing offense. The bill also makes the offense of continuous sexual abuse of a child a class A felony.

Your Committee received supporting testimony from the community as well as the Department of the Attorney General, the Honolulu Police Department, the Hawaii State Commission on the Status of Women and the Hawaii State Coalition Against Sexual Assault. The Office of the Public Defender testified in opposition to the bill.

Your Committee finds that, under the present law, the crimes of sexual assault in the first, second, third, and fourth degrees are not "continuing offenses" in that they represent distinct acts and, therefore, separate offenses. However, many young children who have been sexually abused over an extended period of time may be unable to specifically recall or identify dates, instances, or circumstances surrounding the abuse. Because of community concern over the safety of our children, this bill makes the continuous sexual abuse of a child a class A felony.

Your Committee has amended this bill by making certain technical changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.B. No. 111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 111, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Hiraki.

SCRep. 37 Judiciary on H.B. No. 106

The purpose of this bill is to reduce the age, from sixteen years of age or older to fourteen years of age or older, at which the family court may waive jurisdiction over a juvenile who is alleged to have committed a felony, to the adult court system,

Your Committee received testimony from various individuals, community organizations, and government agencies including the Department of the Prosecuting Attorney and the Offices of Youth Services in support of the concept of lowering the waiver age.

Other organizations, including the Office of the Public Defender opposed a lowering of the present sixteen-year-old waiver limit.

Your Committee believes that lowering the waiver age to fourteen will enhance the deterrence and accountability components of Hawaii's juvenile justice system. Under the laws of the State, the decision to waive or not to waive a juvenile to the adult court system will remain within the discretion of the family court and the prosecutor's office. The lowering of the waiver age to fourteen allows greater flexibility in the exercise of this discretion.

Your Committee has amended the bill by:

- (1) Adding language to section 352-10, Hawaii Revised Statutes, to provide that juvenile offenders committed to the Hawaii youth correctional facilities, whose term extends beyond their eighteenth birthday, shall be committed to the Department of Public Safety upon reaching the age of eighteen. The authority of the facilities director to parole or furlough juvenile offenders is limited if:
 - (a) The commitment order requires prior court approval; or
 - (b) There is a mandatory term of imprisonment which has not expired; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 106, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 38 Transportation on H.B. No. 214

The purpose of this bill is to change the name of the airport located at Keahole, Hawaii, from Keahole-Kona International Airport to Kona International Airport at Keahole.

Your Committee finds that the new name will serve to lessen public confusion concerning the airport as both residents and visitors alike associate the airport with Kona, not Keahole. Your Committee further finds that while Keahole-Kona may provide greater specificity as to the airport's geographic location, the airport services the entire Kona district of the island of Hawaii, a much larger area than Keahole.

Testimony in favor of this bill was received from the Big Island Business Council and the Kona Kohala Resort Association.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 214 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 39 Human Services and Housing on H.B. No. 482

The purpose of this bill is to amend Chapter 346, Hawaii Revised Statutes, to assist persons who have been documented victims of domestic violence in obtaining appropriate counseling and support services, and, if necessary, in escaping from their abusive environment, by easing requirements for qualifying for public assistance.

Extensive written and oral, expert and non-expert testimony revealed heavy support for the intent of this measure and its concern for the safety and well-being of victims of domestic violence. The Department of Human Services, the National Association of Social Workers, and concerned citizens all applauded the legislature for this measure.

There was, however, concern regarding the measure's lack of clarity with respect to guidelines for defining under which circumstances, and for how long, a victim can be exempt from regular program requirements. The concern primarily focused on the necessity for controls to avoid possible abuses of the exemption for victims of domestic violence.

It was concluded that domestic violence must be documented by some history of police report(s) and/or temporary restraining order(s), etc., in order for a person to qualify for the exemption. Therefore, the definition of "documented domestic violence" was determined to be a necessary addition to the measure.

It was further determined by the Committee that the bill should be amended to clarify that the legislature identifies those applicants for public assistance who are also subjected to domestic violence as victims in need of public assistance.

Your Committee has requested that the purpose of the bill should be:

To amend Chapter 346, Hawaii Revised Statutes, to assist persons who have been documented victims of domestic violence in obtaining appropriate counseling and support services, and in escaping from their abusive environment, by easing requirements for qualifying for public assistance.

In addition, your Committee recommends that Sections 1. (a) (1), (2), and (3) should be amended to read:

- (1) Screen and identify, individuals receiving assistance under this chapter who also have a history of domestic violence, as victims of domestic violence, while maintaining their confidentiality;
- (2) Refer victims who have been so identified to appropriate counseling and support services; and
- (3) Waive, pursuant to determination of victim status and good cause shown, any other applicable program requirements for receiving assistance, such as time limits, for as long as necessary for victims receiving assistance, residency requirement, if any, child support cooperation requirements, and family cap provisions, if any, in cases where compliance with these requirements would make it more difficult for individuals receiving assistance under this chapter to escape domestic violence or unfairly penalize these persons who are or have been victimized by such violence, or victims who are at risk of further domestic violence.

Further, your Committee recommends that Section 1. (c) should be amended to read:

For the purpose of this section, "history of domestic violence" is defined as consisting of a record of domestic violence within the particular relationship, which includes:

- (1) Record(s) of police intervention and/or contact;
- (2) Referral(s) made to domestic violence counseling professionals;
- (3) Record(s) of Temporary Restraining Orders being, or having been, issued to protect the victim from the abuser.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 482, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 482, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 40 Human Services and Housing on H.B. No. 486

The purpose of this bill is to fund education and training programs for individuals receiving public assistance identified by the Department of Human Services as those who can most reasonably benefit from education and training.

The National Association of Social Workers and the Committee on Welfare Concerns submitted testimony in support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure.

Your Committee recognizes the many obstacles faced by public assistance recipients, including the lack of training and education programs necessary for these individuals to obtain respectable employment. It is the hope of your Committee that by providing funds for training and education programs, many of these individuals will be empowered to become self-sufficient and thereby obtain higher-paying jobs.

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

- (1) Setting forth the rationale for the bill in a new findings and purpose section;
- (2) Changing its effective date to July 1, 1997; and

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

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 486, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 486, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 41 Agriculture on H.B. No. 506

The purpose of this bill is to appropriate funds to market and promote four major tropical flower commodity group--anthurium, orchid, protea, and tropicals--to retail florists within the United States.

Your Committee recognizes the economic potential of our tropical flower industry and notes the importance of promoting and marketing these flowers abroad to make these commodities available to, and industry competitive with, outside markets.

Testimony in support of the bill was received from the Hawaii Tropical Flower Council, the Big Island Dendrobium Growers' Association, and the Hawaii Anthurium Industry Association. The Department of Agriculture (DOA) indicated its support for the bill, as long as the bill's passage does not replace or adversely impact its departmental budgeting priorities.

Upon consideration, your Committee has amended this bill by:

- (1) Changing the expending agency from the Board of Agriculture to the DOA; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 506, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 506, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 42 Agriculture on H.B. No. 714

The purpose of this bill is to appropriate funds for each year of fiscal biennium 1997-1999 for pineapple research.

Your Committee recognizes that continued research on pineapple research projects that focus on pest management, environmental research, and fruit quality is imperative to maintain the viability of the State's pineapple industry.

Testimony in support of the bill was received from the Pineapple Growers Association of Hawaii, the Maui Chamber of Commerce, and the Maui Hotel Association. The Department of Agriculture indicated its support of the intent and purpose of the bill, provided the bill's passage does not adversely impact the priorities in its 1997-1999 Executive Biennium Budget.

The bill, as heard by your Committee, contained an appropriation of \$200,000 for each year of fiscal biennium 1997-1999.

Upon consideration, your Committee has amended the bill by replacing each of the appropriations with the sum of \$1 to facilitate further deliberation on the financial aspects of the bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 714, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 43 Agriculture on H.B. No. 721

The purpose of this bill is to appropriate funds for a two-year program to continue research on insect and disease management on vegetable and melon crops.

The Department of Agriculture submitted testimony in support of the intent of this bill, and recommended that the expending agency be the Department of Agriculture instead of the Board of Agriculture.

Your Committee finds that the original amounts appropriated by this bill were \$250,000 for fiscal year 1997-1998 and the same sum for fiscal year 1998-1999.

Your Committee has amended this bill by:

- (1) Inserting the sum of \$1 to facilitate further discussion;
- (2) Identifying the Department of Agriculture as the expending agency; and

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 721, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 721, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 44 Agriculture on H.B. No. 723

The purpose of this bill is to appropriate funds to promote statewide agricultural activities.

This bill, as received by your Committee, appropriates:

- (1) \$30,000 for the Hawaii cut-flower industry in U.S. mainland markets;
- (2) \$50,000 for the State Farm Fair; and
- (3) \$70,000 for the "Hawaii Grown" campaign.

Your Committee recognizes the importance of promotional efforts to educate and inform residents and nonresidents of the unique and varied products and crops of our agricultural industry. Your Committee further recognizes that promotion of Hawaii's statewide agricultural activities is necessary to strengthen and expand our agricultural industry both locally and abroad.

Testimony in support of the bill was received from the Hawaii Farm Bureau. The Department of Agriculture (DOA) also indicated its support for the bill, as long as the bill's passage does not replace or adversely impact its departmental budgeting priorities.

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

- (1) Replacing each of the appropriations with the sum of \$1 to facilitate further deliberation on the financial aspects of the bill;
- (2) Changing the expending agency from the Board of Agriculture to the DOA; and
- (3) Making the appropriation for the State Farm Fair applicable to each year of the 1997-1999 fiscal biennium, rather than only fiscal year 1997-1998.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 723, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 723, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 45 Agriculture on H.B. No. 724

The purpose of this bill is to appropriate funds for agricultural research and development.

The bill, as heard by your Committee, contained the following appropriations:

- (1) \$11,000 for orchid research;
- (2) \$16,000 for cut-flower research;
- (3) \$35,000 for taro research;
- (4) \$35,000 for protea research;
- (5) \$40,000 for macadamia research;
- (6) \$46,000 for coffee research;
- (7) \$50,000 for swine research;
- (8) \$50,000 for management of the sweet potato whitefly;
- (9) \$50,000 for development of the virus resistant tomato;
- (10) \$50,000 for low input sustainable agriculture;
- (11) \$50,000 for banana research;
- (12) \$65,000 for papaya research;

- (13) \$66,000 for cattle research;
- (14) \$88,000 for anthurium research;
- (15) \$92,000 for the Plant Alien Pest Program;
- (16) \$106,000 for pesticide programs;
- (17) \$139,000 for the Exotic Pest Inspection Committee; and
- (18) \$150,000 for pineapple research.

The Agribusiness Development Corporation and the Pineapple Growers Association of Hawaii submitted testimony on this bill.

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

- (1) Replacing each of the appropriations with \$1 to facilitate further deliberation on the financial aspects of the bill;
- (2) Changing the name of the expending agency to the Agribusiness Development Corporation to reflect its proper name; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 724, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 724, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 46 Agriculture on H.B. No. 902

The purpose of this bill is to appropriate funds to develop and implement a marketing campaign to promote Hawaii-grown agricultural products in mainland and foreign markets.

The Department of Agriculture submitted testimony in support of this measure.

Your Committee has amended this bill by:

- (1) Inserting the sum of \$1 to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 902, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 902, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 47 Agriculture on H.B. No. 933

The purpose of this bill is to appropriate funds for various agricultural research and development projects for fiscal years 1997-1998 and 1998-1999.

The Department of Agriculture, the Hawaii Farm Bureau Federation, the Hawaii Anthurium Industry Association, and various officers and directors of the Hawaii Association of Nurserymen, submitted testimony supporting the intent of this bill.

Your Committee finds that the original amounts to be appropriated by this bill were \$228,000 for fiscal year 1997-1998 and \$230,500 for fiscal year 1998-1999.

Your Committee has amended this bill by inserting the sum of \$1 for each fiscal year to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 933, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 933, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 48 Agriculture on H.B. No. 931

The purpose of this bill is to provide the necessary funds to assist in maintaining current minimum levels of agricultural research at the Hawaii Agricultural Research Center.

The Department of Agriculture, Hawaiian Commercial and Sugar Company, Pineapple Growers Association of Hawaii, Gay and Robinson, Inc., and the Hawaii Farm Bureau Federation submitted testimony supporting the intent of this bill.

Your Committee finds that the original amount requested by this bill was \$1,000,000 for fiscal year 1997-1998, and the same sum for fiscal year 1998-1999.

Your Committee amended this bill by:

- (1) Inserting the sum of \$1 to facilitate further discussion;
- (2) Replacing the \$250,000 maximum release of unmatched funds for exploratory agricultural research and development with the sum of \$ to facilitate further discussion; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 931, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 931, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 49 Education on H.B. No. 998

The purpose of this bill is to authorize the Department of Education (DOE) to convert to permanent status fifteen full-time equivalent temporary athletic health care specialist positions.

Testimony in support of the bill was submitted by DOE, the Hawaii Athletic Trainers' Association, Waianae High School, James Campbell High School, Aiea High School, President William McKinley High School, the Hawaii State Teachers Association and the Hawaii Medical Association.

Your Committee finds that the athletic health care specialist plays a major role in the care management, prevention, and treatment of athletic injuries and effectively coordinates and conducts activities to ensure the safety and welfare of all students and athletes. Conversion to permanent status will help the department to recruit and retain qualified applicants by providing employment security and needed stability for continued program development.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 998 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 50 Health on H.B. No. 650

The purpose of this bill is to authorize certain recognized advanced practice registered nurses to provide certain insured mental health and substance abuse services.

Testimony in support of this measure was received from the Department of Health, the Hawaii Nurses' Association, and the National Association of Social Workers.

It is your Committee's belief that increased access for mental health treatment in areas not being served is urgently needed. At the same time, your Committee also believes that increased access to mental health treatment should be performed by qualified professionals.

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

- (1) Clarifying that the named professional who is eligible for certain insured services must be a qualified mental health treatment professional as well as a certified substance abuse counselor; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 650, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 650, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 51 Health on H.B. No. 651

The purpose of this bill is to add state-licensed social workers with certification in clinical social work to the list of those authorized to provide certain insured mental health, alcohol, and drug abuse treatment services.

The Department of Health, the National Association of Social Workers, the Hawaii Nurses' Association, and three individuals submitted testimony in support of the bill. Comments were also submitted by an individual.

Your Committee finds that increased access for mental health treatment in areas not being served is urgently needed. At the same time, your Committee believes that increased access to mental health treatment should be performed by qualified professionals.

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

- (1) Clarifying that the named professional who is eligible for certain insured services must be a qualified mental health treatment professional as well as a certified substance abuse counselor; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 651, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 651, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 52 Ocean Recreation and Marine Resources on H.B. No. 349

The purpose of this bill, as referred to your Committee on Ocean Recreation and Marine Resources is to appropriate funds to express strong legislative support of PACON International.

Your Committee finds that the Pacific Congress on Marine Science and Technology, commonly known as PACON International, has a chapter in Hawaii to support the international and local programs for its membership of ocean scientists, engineers, and educators residing in Hawaii. The main purpose of PACON International is to sponsor a major international ocean science and technology meeting every two years.

Supportive testimony was received from the Director of the Department of Business, Economic Development and Tourism; President, Pacific Congress on Marine Science and Technology, Inc.; General Manager, Intech, Inc.; Associate Director of the Hawaii Undersea Research Laboratory; and a large delegation of individuals.

Upon careful consideration, your Committee has amended this measure by clarifying that PACON International must match the state appropriation dollar-for-dollar with resources secured from non-state government sources. The appropriation is also being made for two years.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 349, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 349, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 53 Ocean Recreation and Marine Resources on H.B. No. 240

The purpose of this bill, as referred to your Committee on Ocean Recreation and Marine Resources, is to require the Board of Land and Natural Resources to report on ways to improve the State's ocean recreation and coastal areas programs.

Your Committee finds that boating and ocean recreation industries offer significant opportunities for sustainable economic development in Hawaii, but they are not achieving their maximum potential due to unsatisfactory performance of the State's boating and ocean recreation programs. Your Committee finds that the Division of Boating and Ocean Recreation of the Department of Land and Natural Resources (Department) bears the responsibility of improving this unacceptable situation. Your Committee also finds that the Department has failed to follow legislative directives of the 17th Legislature (HCR 252 and SCR 54) that directed the Department to accomplish similar and related tasks.

The Department submitted testimony in support of the measure while taking exception to some of the criticisms on this measure. The Department also suggested changes to focus this measure on issues under its jurisdiction. Supportive testimony was also received from the Ala Wai Marina Board, The Ocean Recreation Council of Hawaii, McBoat, Boats Hawaii, and several individuals.

Ahupua'a Action Alliance and several concerned individuals opposed the bill because it did not ensure protection of Native Hawaiian traditional and customary rights.

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

- (1) Amending the purpose section to more accurately state the current issues and concerns of boaters;
- (2) Assigning responsibility to the chairperson of the Board of Land and Natural Resources, rather than the Board itself, to report back to the Legislature;
- (3) Clarifying that boating and ocean recreation programs are of concern in this measure rather than the ocean recreation and coastal areas programs;
- (4) Amending the directives in the measure to more accurately represent those issues under the responsibility of the Department;
- (5) Adding two additional directives to include:

- (a) Reporting on the implementation of the recommendations from the 1993 and 1995 State Auditor's reports; and
 - (b) Ensuring the protection of Native Hawaiian traditional and customary rights; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Furthermore, your Committee has affirmed that this directive is best delivered to the Department through a statutory measure rather than a concurrent resolution since the Department has failed to deliver reports from previous concurrent resolutions.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 240, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 240, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 54 Human Services and Housing on H.B. No. 522

The purpose of this bill is to recognize a public and private partnership between the State and a private, nonprofit corporation created as a focal point for policy development and dedicated to enhancing, developing, and coordinating quality early childhood education and care services.

The Office of Hawaiian Affairs, People Attentive to Children, and a concerned individual submitted testimony in support of this measure. The Department of Human Services, the Office of the Governor, the Good Beginnings Alliance, Department of Education, and the Department of Health submitted testimony in support of the intent of this measure, but recommended making amendments to reflect H.B. No. 1764.

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

- (1) Redefining the nature of the public/private partnership as inclusive of the principal state agencies responsible for aspects of the early childhood education and care system and not solely the domain of the Governor's Office;
- (2) Replacing the Superintendent of Education with the Governor's Special Assistant for Children and Youth as the presiding chairperson of the interdepartmental council;
- (3) Including the Governor's Special Assistant for Children and Youth to serve as a member of the interdepartmental council; and
- (4) Making numerous technical, nonsubstantive changes for purposes of clarity and style.[B

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 522, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 522, HD 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representative Stegmaier.

SCRep. 55 Human Services and Housing on H.B. No. 947

The purpose of this bill is to appropriate \$50,000 from the Spouse and Child Abuse Special Account to match the federal AmeriCorps grant for Student and Advocates for Victims of Domestic Violence program.

Hawaii Lawyers Care, the Hawaii State Bar Association, the Kauai County YWCA, AmeriCorps, Child and Family Service, and two concerned individuals submitted testimony in support of this measure. The Judiciary submitted testimony in opposition of this measure because this bill would significantly impair its ability to administer and expend funds from the special account.

Your Committee believes that domestic violence is no longer a private family matter. Your Committee agrees with the intent of this measure and recognizes the need for support services for victims of domestic violence.

Your Committee has amended this bill so that funds would be appropriated from the State general revenues instead of the Spouse and Child Abuse Special Account.

Other technical, nonsubstantive amendments were also made for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 947, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 947, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 56 Education on H.B. No. 841

The purpose of this bill is to establish educational rights for deaf, hard-of-hearing, and deaf-blind children.

Testimony in support of the bill was submitted by the Commission on Persons with Disabilities, the Hawaii State Coordinating Council on Deafness, the American Sign Language/Interpreter Education Program at Kapiolani Community College, and an individual. The Department of Education testified in support of the intent of the bill.

Your Committee finds that deafness is a unique disability that must be recognized in shaping the education of a child who is deaf, hard-of-hearing, or deaf-blind. This bill seeks to ensure that these children have the opportunities needed to reach their fullest potential by focusing on their communication needs in their educational placement and planning.

However, while the bill refers to "rights," the emphasis is on services and access to services. Your Committee believes that these children should have access to certain services. Still, your Committee recognizes that limitations may arise due to the lack of sufficient resources.

While testifying in support of the intent of the bill, the Department of Education (DOE) recommended two amendments. First, DOE noted that certain items are already covered by other legislation, and need not be restated. However, your Committee feels that a compilation of rights in one place may be helpful to the public.

Second, DOE recommended amending the right to have American Sign Language in a child's curriculum by adding a condition that the child's identified primary language is considered to be American Sign Language. Your Committee agrees with this recommendation.

The bill has been amended as follows:

- (1) Adding on page 2, line 20 that the non-academic extracurricular and athletic programs to which access is a right are school-supported programs;
- (2) Adding that a child's identified primary language is considered to be American Sign Language as a condition for having it in the child's curriculum; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 841, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 841, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Takamine, Tarnas, Yonamine, Halford and McDermott.

SCRep. 57 Education on H.B. No. 999

The purpose of the bill is to tie the salaries of coaches and athletic directors to collective bargaining.

Testimony in support of the bill was submitted by the Athletic Directors and Coaches Association of Hawaii, Kailua High School, and James Campbell High School. The Hawaii State Teachers Association supported the intent of the bill. The Department of Education concurred with the intent of the bill.

Your Committee finds that the salaries of coaches have lagged to an unacceptable level. As a result, schools are losing quality coaches because of other employment opportunities with higher pay. This is unfortunate since coaches work with youth to help them develop good sportsmanship, character, and responsibility.

Your Committee also finds that athletic directors are classified and compensated as educational officers. As such, they should not be paid, nor should they receive collective bargaining increases in the same manner as teachers.

The bill has been amended by:

- (1) Deleting references to athletic directors so that the salary and salary increases apply only to coaches; and
- (2) Making a technical, nonsubstantive revision for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 999, HD 1, and be referred to the Committee on Finance.

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

SCRep. 58 Economic Development and Business Concerns on H.B. No. 103

The purpose of this bill is to support the ongoing efforts of the Blue Ribbon Task Force on Small Business (Task Force) by:

- (1) Changing the name of the "Blue Ribbon Task Force on Small Business" to the "Small Business Task Force on Regulatory Reform"; and
- (2) Extending the duration of the Task Force by one year, to June 30, 1999.

Your Committee received testimony in support of the bill from the Department of Business, Economic Development, and Tourism (DBEDT), the Maui Chamber of Commerce, the Hawaii Business League, the Kauai Economic Development Board, and the Hawaii Island Contractors' Association.

The National Federation of Independent Business, the Task Force, and the Small Business Council submitted testimony in support of the bill and made proposed amendments.

Your Committee recognizes the importance of the Task Force to review proposed as well as current legislation that have an impact on small businesses. It is your Committee's belief that the Task Force will have a beneficial effect in helping to minimize unnecessary delays in the regulatory process and to facilitate greater coordination of regulatory procedures among state agencies.

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

- (1) Changing the name of the "Small Business Task Force on Regulatory Reform" to the "Small Business Task Force on Regulatory Relief";
- (2) Requiring the Task Force to review all proposed legislation as well as existing state administrative rules;
- (3) Repealing the reference that the review of all proposed legislation and existing state administrative rules be identified by DBEDT;
- (4) Specifying that the Task Force is to testify and represent the Task Force and the small business community at legislative hearings;
- (5) Specifying that the review of the Task Force is to encompass all current and proposed state laws that act as barriers to the formation, operation, and expansion of small business in the State; 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 is in accord with the intent and purpose of H.B. No. 103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 103, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Ito, Takai and Aiona.

SCRep. 59 Economic Development and Business Concerns on H.B. No. 352

The purpose of this bill is to establish an executive board to be known as the Board of Business, Economic Development, and Tourism, to:

- (1) Determine overall policy regarding the general operation of all aspects of the activities of the Department of Business, Economic Development, and Tourism (DBEDT) pursuant to law;
- (2) Coordinate the general affairs of DBEDT; and
- (3) Have exclusive jurisdiction over the internal organization and management of DBEDT.

In addition, this bill also makes the broad policy determinations of the DBEDT subject to the overall policy as determined by the executive board.

Testimony in strong support of the bill was received from the Kauai Chamber of Commerce and the Hawaii Island Contractors' Association. The Kona-Kohala Chamber of Commerce and the Kauai Economic Development Board submitted testimony in support of the intent of the bill. Comments were received from DBEDT, the Chamber of Commerce of Hawaii, the Hawaii Island Economic Development Board, the Maui Economic Development Board, Inc., and an individual.

In its testimony, DBEDT indicated one of its primary concerns with the bill: ". . . creation of an additional layer of bureaucracy in the form of an executive board dilutes responsibility and delays decision making." The DBEDT Director stated that if the Committee felt that the Director needed more input, then an advisory board, rather than an executive board, could assist the Director and provide additional input from various perspectives.

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

- (1) Changing the executive board to an advisory board to be administratively attached to DBEDT;
- (2) Changing the composition of the advisory board to consist of:
 - (a) The Director of DBEDT or the Director's designated representative;
 - (b) One representative from a private industry labor organization;
 - (c) One representative from the U.S. military in Hawaii; and
 - (d) Six representatives from the business industry, of which one member shall represent the visitor industry;

- (3) Specifying that the advisory board is to assist and advise DBEDT in making overall policy recommendations regarding the general operation of all aspects of DBEDT's activities and the general affairs of DBEDT;
- (4) Making the broad policy determinations of DBEDT subject to the recommendations of the advisory board; and
- (5) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 352, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 352, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 60 Economic Development and Business Concerns on H.B. No. 406

The purpose of this bill is to implement a state policy to develop a comprehensive work force plan to position Hawaii for the expected federal work force block grants and implement state policies for economic and work force strategies through the inclusion of local entities in coordination with stakeholders at all levels of government.

The Office of Planning of the Department of Business, Economic Development, and Tourism, and the Department of Labor and Industrial Relations submitted testimony in support of the intent of the measure. A concerned individual testified in support of the measure.

Your Committee finds that work-force-development, economic opportunity, and the maintenance of essential human services, particularly in a period of fiscal constraint, are critical and complex issues that must be addressed. This bill will work toward a system-wide reorganization of publicly-funded work-force-related programs and services through a collaborative work force development plan, thereby enabling the State to emerge from its fiscal crisis and to adequately address human service funding needs.

Your Committee has amended this measure by deleting the reference to the Democratic Party of Hawaii as it is your Committee's belief that the policy encompassed by this measure is supported by a diverse cross-section of the State. Your Committee also made technical, nonsubstantive changes for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 406, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 406, HD 1, and be referred to the Committee on Labor and Public Employment.

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

SCRep. 61 Economic Development and Business Concerns on H.B. No. 540

The purpose of this bill, as received by your Committee, is to encourage economic development opportunities in the counties of Hawaii and Kauai by waiving all administrative rules in those counties, except to the extent that the rules are required by federal law or are necessary to maintain the health, safety, and welfare of those county residents, as determined by an independent, administrative rules board.

Testimony in support of the bill was received from the Kauai Economic Development Board and the Kauai Chamber of Commerce. Comments were received from an individual. Testimony in opposition to this bill was received from the Department of Business, Economic Development, and Tourism; the Office of Information Practices; the Attorney General; the Sierra Club, Hawaii Chapter; Common Cause Hawaii; Hawaii's Thousand Friends; the Ahupua'a Action Alliance, and an individual.

Upon careful consideration, your Committee has amended this bill by deleting the substance and inserting therefore new material, the purpose of which is to ensure that DBEDT's business impact statement is included the rulemaking process by requiring:

- (1) DBEDT's business impact statements to be included in the rulemaking process; and
- (2) The Governor to issue a concise statement of the principal reasons for rejecting recommendations for or against approvals that are made in any business impact statement in the rulemaking process.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 540, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 540, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 62 Economic Development and Business Concerns on H.B. No. 905

The purpose of this bill is to prepare Hawaii, as an Asia-Pacific Economic Cooperation (APEC) member, to become fully involved in the activities of APEC.

Specifically, this bill furthers the international trade and business efforts of the State by:

- (1) Establishing with the University of Hawaii (UH) College of Business Administration, the "Institute for How to Do Business in Asia" (Institute); and
- (2) Appropriating funds to establish the Institute.

Your Committee notes that the Institute is to serve as a center for training and education activities to prepare APEC members to fully participate in the international trade and other activities of APEC.

The Department of Business, Economic Development, and Tourism, the Department of Transportation, UH, and the UH College of Business Administration submitted testimony in support of the intent of the bill and comments on the bill.

Upon consideration, your Committee has amended this bill by:

- (1) Inserting in the appropriation section, the sum of \$1 for the purpose of facilitating further deliberation 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 H.B. No. 905, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 905, HD 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee.
(Representatives Aiona and Fox voted no.)

SCRep. 63 Economic Development and Business Concerns on H.B. No. 860

The purpose of this bill is to establish a small business legal clinic at the University of Hawaii William S. Richardson School of Law (UH School of Law).

Your Committee believes that a small business legal clinic at the UH School of Law would give students at the law school direct experience in assisting small businesses in the state with their legal and related concerns.

Your Committee received testimony in support of the bill from the Hawaii Business League. Comments on the bill were submitted by the UH School of Law.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 860 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 64 Public Safety and Military Affairs on H.B. No. 104

The purpose of this bill is to appropriate \$82,500 for fiscal year 1997-1998 and \$82,500 for fiscal year 1998-1999 to maintain and enhance the presence of the armed forces in Hawaii.

The State of Hawaii Department of Defense, the Department of Business, Economic Development, and Tourism, the Association of the United States Army, the Honolulu Council Navy League of the United States, the Mayor of the City and County of Honolulu, the Chamber of Commerce of Hawaii, Hart Publishers, and Hawaiian Dredging testified in support of this measure. An individual member of the public testified in opposition to the bill.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 104 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 65 Public Safety and Military Affairs on H.B. No. 114

The purpose of this bill is to appropriate \$1 for fiscal year 1997-1998, for staffing, equipment, and other operating expenses for the expansion of the Department of Public Safety's KASHBOX program at other correctional facility.

The Department of Public Safety and the Hawaii Hotel Association testified in support of the measure. The Department of the Prosecuting Attorney for the City and County of Honolulu supported the intent of the bill.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 114 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 66 Higher Education on H.B. No. 1658

The purpose of this bill is to transfer the responsibility of operating the Drivers Education Program from the University of Hawaii Community College Employment Training Office to the University of Hawaii Community Colleges (UHCC), enabling the program to be efficiently and effectively administered by the appropriate campus.

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

This bill will enable the UHCC to enhance the motorcycle safety education program and use existing infrastructures to continue to support statewide training programs.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1658 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 67 Higher Education on H.B. No. 594

The purpose of this bill is to appropriate funds to establish a bachelor of science program in active volcano technology at the University of Hawaii at Hilo (UH-Hilo).

Testimony in favor of the bill was submitted by UH-Hilo. Your Committee also received testimony in support of the intent of the bill from an individual.

Your Committee recognizes that a volcanology program would benefit UH-Hilo. This program would be attractive not only to Hawaii residents, but also to out-of-state students, because they would have the opportunity to study and observe volcanology in close proximity to one of the world's most active volcanoes. In addition, nonresident students would pay out-of-state tuition and thus would provide substantial financial support for the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 594 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Tarnas, Yonamine and McDermott.

SCRep. 68 Economic Development and Business Concerns on H.B. No. 238

The purpose of this bill is to appropriate funds to the various county economic development boards to promote county economic development.

The Department of Business, Economic Development, and Tourism, the Oahu Economic Development Board, the Hawaii Island Economic Development Board, the Kauai Economic Development Board, and the Maui Economic Development Board submitted testimony in support of the bill.

Your Committee has amended this bill by:

- (1) Correcting the name of the Oahu Economic Development Board; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 238, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 69 Economic Development and Business Concerns on H.B. No. 328

The purpose of this bill is to establish an income tax credit for small businesses as defined by the Code of Federal Regulations, in an amount equal to the guaranty fee paid pursuant to obtaining a Small Business Administration loan.

The U. S. Small Business Administration Honolulu District Office and four private individuals and companies submitted testimony supporting the intent of the bill. The Department of Business, Economic Development, and Tourism and the Department of Taxation submitted testimony in opposition to the bill.

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

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 328, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 70 Economic Development and Business Concerns on H.B. No. 419

The purpose of this bill is to appropriate funds to strengthen the competitive position of Hawaii's ocean research and development industry and generate needed revenues for Hawaii's economy.

The Department of Business, Economic Development, and Tourism, the Democratic Party of Hawaii, and two private individuals submitted testimony in support of the intent of this measure.

Your Committee has amended this bill by:

- (1) Inserting the sum of \$1 for the purpose of facilitating further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of consistency, 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 H.B. No. 419, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 419, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 71 Economic Development and Business Concerns on H.B. No. 580

The purpose of this bill is to appropriate funds for the operation of the business research library located in the Maui Research and Technology Center through a contract with the UH-Hilo Small Business Development Center Network.

The Department of Business, Economic Development, and Tourism, the UH-Hilo Small Business Development Center Network, the Maui Economic Development Board, and the Hawaii Island Economic Development Board submitted testimony supporting the intent of the bill.

Your Committee has amended this bill by:

- (1) Inserting the sum of \$1 for the purpose of facilitating further discussion;
- (2) Identifying the contracting entity as the UH-Hilo Small Business Development Center Network; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 580, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 580, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 72 Transportation and Tourism on H.B. No. 18

The purpose of this bill, as referred to your Committees on Transportation and Tourism, is to enhance traffic safety and circulation in the Hawaii Convention Center and Waikiki areas.

Your Committees find that the Convention Center will generate much additional traffic which will negatively impact businesses and residents in the Convention Center and Waikiki areas. Your Committees further find that reducing these negative impacts will require costly infrastructure improvements, many of which will be responsibilities of the City and County of Honolulu.

This bill proposes to appropriate \$1,000,000 each year for ten years from the State Highway Fund to be expended by the City and County of Honolulu for transportation improvements to enhance the safety and circulation of motor vehicles, bicycles and pedestrians in the Convention Center and Waikiki areas.

Testimonies in support if this measure were heard from the City and County of Honolulu and the Hawaii Hotel Association. The Convention Center Authority deferred to the Department of Transportation, since this proposal deals with the State Highway Fund. The Department of Transportation testified in opposition to this bill, since the reduction in monies in the State Highway Fund will require deferral of other projects.

Your Committee has amended this bill by reducing the appropriation from \$1,000,000 each year for ten years to \$1 to permit the Committee on Finance to determine an appropriate amount.

As affirmed by the records of votes of the members of your Committees on Transportation and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 18, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 18, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ahu Isa, Jones and White.

SCRep. 73 Transportation on H.B. No. 116

The purpose of this bill, as referred to your Committee on Transportation, is to discourage youth under the legal drinking age of twenty-one from operating vehicles after consuming alcohol.

Purchase, possession, and consumption of alcohol is illegal for minors, but driving under the influence (DUI) violations continue to result in many accidents by this age group. Your Committee finds that minors may become impaired for safe operation of vehicles with less than the legal blood alcohol content (BAC) of .08. Your Committee further finds that DUI penalties presently are not severe enough to deter impaired drivers from driving.

The proposed bill amends Section 291-4, Hawaii Revised Statutes (HRS), to stipulate that a minor commits a DUI offense with any amount of alcohol in the person's breath or blood. The bill also provides that a minor convicted of a DUI offense is subject to prompt suspension of the person's license for a period of one year.

Testimonies in support of this bill were heard from the Department of Health, the City and County of Honolulu, Legislative Information Services of Hawaii, Inc., the Coalition for a Drug-Free Hawaii, the Hawaii Restaurant Association, Students Against Drunk Driving (SADD) of Waiakea High School, ten concerned parents, more than four hundred residents of Hawaii, eighteen member of Youth in Action, and Mothers Against Drunk Driving (MADD). MADD suggested several changes in the bill.

Your Committee has amended this bill by adding or amending several sections to relate them to minors: defining DUI offenses, defining "measurable amount of alcohol to be .02 BAC or more, spelling out graduated penalties for DUI offenses, and penalties for refusal to submit to a breath or blood test.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 116, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 74 Human Services and Housing on H.B. No. 859

The purpose of this bill is to express strong legislative support and to provide continuing funding so that the established autism project will continue to support and assist families, professionals, and persons with autism.

Extensive written and oral, expert and non-expert testimony revealed strong support for this this measure and its concern for those affected by autism, both individuals and families. In Hawaii, the reported numbers of children and adults with autism is approximately .07%, while the national prevalence rates are reported to be around .14%. There was testimony submitted by the University of Hawaii Affiliated Program for Persons with Disabilities, indicating that the large difference in prevalence rates between Hawaii and the mainland called for improved systems of identification, assessment, and intervention for individuals with autism throughout the state.

Additional testimony was offered by the Mental Health Association in Hawaii, and a number of concerned private citizens, all in support of the bill.

Although most of the testimony was in favor of the bill, there were some comments offered, including those by the Department of Education and the State Planning Council On Developmental Disabilities, to the effect that the intent of the bill to provide funding was admirable, but that the appropriated funding should be expended by the agencies presently tasked with meeting the Felix Consent Decree provisions. Despite this testimony it was the Committee's conclusion that the bill would pass without amendments.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 859, and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 75 Human Services and Housing on H.B. No. 412

The purpose of this bill is to establish a joint legislative committee to develop a sound financial plan for long-term care.

The Department of Human Services, the University of Hawaii at Manoa School of Social Work, Kokua Council, the Democratic Party of Hawaii, the Hawaii Long Term Care Association, and four concerned individuals submitted testimony in support of this measure.

The Executive Office on Aging, the Hawaii Government Employees Association, the American Association of Retired Persons, and one concerned individual submitted testimony in support of this measure and provided comments.

Your Committee has amended this bill by:

- (1) Deleting its substance and inserting the provisions from H.B. No. 147, HD 1;
- (2) Requiring the Joint Legislative Committee to include a proposed bill for introduction in its report to the legislature; and
- (3) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 412, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 412, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 76 Water and Land Use on H.B. No. 361

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

- (1) Prohibit the sale or purchase of antiquities from burial and archaeological sites after the effective date of this Act, except for sales to qualified museums;
- (2) Provide for civil and criminal penalties for selling or purchasing antiquities;
- (3) Require the registration of antiquities with the State historic preservation officer; and
- (4) Create a presumption that all antiquities not registered are deemed to have been removed from their sites.

Testimony in support of this bill was received from the Department of Land and Natural Resources (DLNR) and the Office of Hawaiian Affairs. No testimony in opposition to this bill was received.

Upon further consideration, your Committee has amended this bill as suggested by DLNR and OHA as follows:

- (1) Revising section 6E-A to prohibit the sale, exchange, or purchase of any antiquity unless the right of possession can be demonstrated;
- (2) Making any persons selling, exchanging, or knowingly purchasing an antiquity in violation of this section subject to civil and criminal penalties, in order to protect innocent buyers and to allow the prosecution of knowledgeable individuals who claim recent acquisition of antiquities as a basis for ownership;
- (3) Making forfeiture of an antiquity confiscated as a result of a violation of this Act to the property owner instead of the State;
- (4) Revising the definition of "antiquity" to mean "any tool, ornament, clothing, gaming item, or container of indigenous Hawaiian style, complete or broken, which is or can be dated prior to the year 1890 by a qualified expert with specialized knowledge of Hawaiian artifacts";
- (5) Deleting the definition of "qualified museum";
- (6) Adding a definition for "right of possession"; and
- (7) Deleting section 6E-B, pertaining to the registration of antiquities, as DLNR lacks the requisite resources to develop and maintain a registry.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 361, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kanohe, Morihara and Yoshinaga.

SCRep. 77 Water and Land Use on H.B. No. 899

The purpose of this bill is to place the Hawaii Main Street Program (Program) within the Department of Business, Economic Development, and Tourism (DBEDT). This bill also appropriates an unspecified amount of funds for the Program.

Many agree that the Program has been most beneficial in preserving and economically revitalizing various historic small towns throughout the state. For the past five years, the Department of Land and Natural Resources (DLNR) has administered this Program. However, for the past two years, DLNR has been unable to provide financial assistance to the Program.

Some maintain that much of the Program's importance lies in its promotion of small businesses as part of economic revitalization efforts. For this reason, oversight more appropriately belongs to DBEDT which once managed the Program for four years.

The DLNR testified in support of this bill, provided that it does not impact on budget priorities as reflected in the executive biennium budget. The DBEDT suggested amendments and also could not support the appropriations which would conflict with the executive biennium budget. Historic Hawaii Foundation and West Kauai Main Street testified in support of this bill.

Your Committee agrees that the Program should not be statutorily tied to the Hawaii Community-Based Economic Development Technical and Financial Assistance Program and be automatically eligible to participate. Accordingly, your Committee has amended this bill by:

- (1) Deleting references to Chapter 210D (Community-Based Development);
- (2) Deleting language in Section 2 that makes the Program eligible to participate in the Hawaii Community-Based Economic Development Technical and Financial Assistance Program; and
- (3) Correcting technical errors.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 899, HD 1, and be referred to the Committee on Economic Development and Business Concerns.

Signed by all members of the Committee except Representatives Kanoho, Morihara and Yoshinaga.

SCRep. 78 Higher Education on H.B. No. 593

The purpose of this bill is to appropriate funds to establish a bachelor's degree program in marine science at the University of Hawaii at Hilo (UHH).

The UHH testified that its current marine science program only confers a Bachelor of Arts degree.

Your Committee finds that the establishment of a Bachelor of Science degree program in marine science at the UHH, with its additional academic requirements for graduation, will better prepare UHH graduates for employment in the field of ocean industry, one of the fastest growing sectors of the State's economy.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 593 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Tarnas, Yonamine and McDermott.

SCRep. 79 Higher Education on H.B. No. 597

The purpose of this bill is to appropriate funds for the establishment of a baccalaureate degree program in astronomy at the University of Hawaii at Hilo, to commence in September, 1997.

Your Committee finds that there is currently no baccalaureate degree program in astronomy in the University of Hawaii system or elsewhere in the State of Hawaii. Given the international recognition of the University in this field, in terms of research and graduate education, it is appropriate to establish an undergraduate baccalaureate degree program in astronomy. With its proximity to the premier world site for astronomical observation, Mauna Kea, the University of Hawaii at Hilo is perfectly positioned to the site of such a program.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 597 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 80 Labor and Public Employment on H.B. No. 139

The purpose of this bill is to place the retirement benefits of elective officers and officials, executive officers, legislative officers, and judges on par with the benefits provided to other public employees.

The Department of Budget and Finance and the Hawaii State Teachers Association submitted testimony in support of the intent of this measure. The Administrator of the Employees' Retirement System, Common Cause Hawaii, the Democratic Party of Hawaii, and the United Public Workers, AFSCME, Local 646, AFL-CIO submitted comments on this measure.

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

- (1) Including councilmembers and prosecuting attorneys in the definition of "executive officers"; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

Your Committee believes that the bill, as amended, adjusts the retirement benefits for elective officers and officials, executive officers, legislative officers, and judges in a fair and just manner while still providing these individuals with equitable retirement benefits. However, your Committee is cognizant that the affected individuals may have relied on the retirement benefits already accrued. Moreover, your Committee recognizes that Article XVI, Section 2, of the State Constitution, provides that the accrued benefits of members in the Employees' Retirement System may not be diminished or impaired. Therefore, the changes in the law will be enacted prospectively to avoid possible constitutional challenges.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 139, HD 1, and be referred to the Committee on Finance.

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

SCRep. 81 Agriculture on H.B. No. 551

The purpose of this bill is to prohibit any increase in assessments for lessees on:

- (1) Agricultural park lands designated for agricultural or aquacultural activities; and
- (2) Public lands designated for agricultural, pastoral, or aquacultural uses;

in counties with resident populations of not more than 60 persons per square mile.

The Hawaii Anthurium Industry submitted testimony in support of the bill. Your Committee received comments and testimony in support of the intent of the bill from the Hawaii Farm Bureau Federation. The Department of Agriculture also submitted comments but indicated that it did not support this bill. Testimony in opposition to this bill was received from the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Upon consideration, your Committee has amended this bill by:

- (1) Prohibiting any increase in lease rents, rather than any increase in assessments with regard to lessees; and
- (2) Making a technical, nonsubstantive amendment to correct a grammatical error.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 551, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 551, HD 1, and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representatives Takai and McDermott.
(Representative Fox voted no.)

SCRep. 82 Human Services and Housing on H.B. No. 405

The purpose of this bill is to implement the policy adopted by the Democratic Party of Hawaii at its 1996 convention calling for funding for support services for victims of domestic violence.

Extensive written and oral, expert and non-expert testimony offered by many parties including the State Judiciary, the Hawaii Medical Association, the Domestic Violence Clearinghouse and Legal Hotline, the Child and Family Service organization, among a number of individual, concerned citizens, showed overwhelming support for this measure aimed at making funds available for victim support in domestic violence situations. The Committee, acknowledging that domestic violence is a growing problem and that, therefore, the need for support services is itself growing, passed said bill without amendments.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 405, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 83 Education on H.B. No. 807

The purpose of this bill is to encourage parents to participate in parent-teacher conferences by requiring employers to give a minimum period of leave for parents to attend these conferences.

Research has shown that families play a critical role in determining how well children succeed in school. Accordingly, it is crucial that parents participate in parent-teacher conferences to discuss their children's progress and to learn how they can support classroom learning.

The Department of Education and the Hawaii State Teachers Association testified in support of this bill.

Although your Committee supports the intent of this bill, it finds that a more appropriate course of action is to develop this program on an incremental basis. Therefore, your Committee has amended this bill by:

- (1) Limiting the requirement to apply only to employees of the State and its various counties;
- (2) Deleting the provisions relating to employees who work more than one job; and
- (3) Making technical, nonsubstantive revisions for purposes of style and clarity.

Where individual circumstances dictate, such as distance between work and the school, your Committee urges supervisors to be flexible and, if at all possible, allow employees additional time to ensure that the conferences can be attended.

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

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

SCRep. 84 Education on H.B. No. 869

The purpose of this bill is to attract new teachers to shortage areas and schools that are difficult to staff by allowing them to receive signing bonuses and financial assistance to defray moving expenses.

The Department of Education (DOE) testified in support of the bill. The Hawaii State Teachers Association (HSTA) testified in appreciation of the intent of the bill. However, citing reasons related to collective bargaining, HSTA opposed the bill.

In oral testimony the Superintendent of Education testified that this bill is the result of dialog among participants that included DOE and HSTA. However, due to the on-going contract negotiations, minimum attention has been given to this issue, although it has been discussed during these negotiations.

Your Committee believes that incentives should be given to new teachers to work in shortage areas or schools that are difficult to staff. Hopefully, this issue will be resolved in the current contract negotiation process. However, if this bill does not proceed, the issue may not receive sufficient attention in these negotiations.

The bill has been amended by:

- (1) Inserting the sum of \$1 in each year of the biennium as the appropriation amounts;
- (2) Revising the purpose section to describe the issue more fully and to be consistent with the appropriation; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 869, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 869, HD 1, and be referred to the Committee on Labor and Public Employment.

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

SCRep. 85 Education on H.B. No. 1012

The purpose of this bill is to allow the superintendent's representative to approve the suspension of a child for up to 92 school days for the possession of a dangerous weapon, switchblade knife, intoxicating liquor, or illicit drugs. It allows (rather than requires) a suspended child to be referred for intervention and treatment services.

Testimony in support of this bill was received from the Department of Education and the Hawaii State Teachers Association.

As affirmed by the records of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1012 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 86 Energy and Environmental Protection on H.B. No. 819

The purpose of this bill is to appropriate funds to support a workshop for the conceptual design and construction of an Ocean Floating All-Natural Clean Energy Power Station.

Testimony in support of this bill was received from the Hawaii Natural Energy Institute, the Honolulu Japanese Chamber of Commerce, the Consulting Engineers Council of Hawaii and an individual.

Your Committee finds that due to Hawaii's oceanic location, the program is worthy of consideration. However, in these times of tight fiscal constraints, your Committee also finds that public-private partnering in promoting scientific research and development should be encouraged. As there is much interest in this project from private organizations and foreign governments, there should be matching funds contributed by these private parties.

Accordingly, your Committee has amended this bill by:

- (1) Reducing the \$100,000 appropriation to \$50,000; and

- (2) Requiring that one to one matching funds from private sources be a condition of receiving state funds.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 819, HD 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 87 Energy and Environmental Protection on H.B. No. 447

The purpose of this bill is to reduce the use of herbicides along public roads by requiring state and county agencies responsible for roadside vegetation maintenance to develop and implement an integrated vegetation management strategy.

The Department of Transportation and the Department of Agriculture supported the concept of this bill. The Department of Health and the Environmental Center at the University of Hawaii strongly supported the overall concept of the bill.

The Board of Water Supply of Honolulu, the Sierra Club of Hawaii and the Democratic Party of Hawaii also supported this measure. Applied Public Relations, representing pesticide chemical companies, expressed some reservations on the bill.

Upon consideration of the testimony that the Department of Transportation had already begun to voluntarily reduce the use of herbicides for the last three years, your Committee recommends that the amount of herbicides used in the fiscal year 1992-1993 be used as a baseline, in recognition of those efforts. Because the counties did not submit testimony as to their obtainable reduction targets and because the Department of Transportation could not quantify costs for further reductions, the exact targets should be further explored in the next committee.

Accordingly, your Committee has amended this bill as follows:

- (1) Amends the preamble to emphasize the goal of reducing the risk to human health and the environment and not just of reducing the use of herbicides.
- (2) Amends sub-section (b) of both Sections 46 and 264 to reflect the goals of improving the overall efficiency of herbicide use.
- (3) Establishes the fiscal year 1992-1993 as the baseline for the herbicides reduction goals for both the counties and the state.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 447, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 447, HD 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 88 Energy and Environmental Protection on H.B. No. 1250

The purpose of this bill is to establish a Pipeline Corrosion Monitoring Committee to compile pipeline data, gather information from members and to report to the legislature.

The Department of Health and Hawaiian Electric Company submitted testimony against the measure; Chevron and BHP Hawaii supported the bill's intent; and the Student Advocates of McKinley fully supported it.

Your Committee finds that there has not been any monitoring of pipelines in the state since 1992. Attention was drawn to the need to have such monitoring after a pipeline oil spill in 1996. As a result of this spill, industry and government have created a voluntary "Pipeline Safe Operations Committee."

Your Committee further finds that such voluntary steps taken by industry should be continued on a regular basis at no expense to the taxpayers to avoid catastrophic oil spills. Evidence shows that major oil spills, like the one in 1996, pose a major environmental risk to the health and welfare of the surrounding community. As industry has recognized the need for this monitoring activity, your Committee deems it appropriate to require such activity with reports to be submitted to the legislature.

Accordingly, your Committee has amended this bill to conform it to the structure of the already existing voluntary "Pipeline Safe Operations Committee" as follows:

- (1) A preamble has been added to explain the background of the bill and definitions were added for clarity.
- (2) The name has been changed from "Pipeline Corrosion Monitoring Committee" to "Pipeline Safety Committee".
- (3) The membership distribution has been changed to reflect the current membership of the already existing "Pipeline Safe Operations Committee".
- (4) The minimum frequency of meetings has been changed from every three months to every four months.

- (5) The general duties and powers have been changed so as not to add additional expense or reports required of the Pipeline Safety Committee.
- (6) The criminal sanctions and the maximum \$1,000,000 fines for violation of the section have been deleted.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1250, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1250, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Morihara.

SCRep. 89 Transportation on H.B. No. 1253

The purpose of this bill is to clarify the language in Section 708-836(1) of the Hawaii Revised Statutes to eliminate the defense of implied consent which allows persons arrested for automobile theft to escape prosecution.

Your Committee finds that under the current statute, prosecutors must prove that the driver of a stolen vehicle "intentionally" operated the vehicle without consent from its owner. A problem often arises when motorists leave their keys in the ignitions and two thieves steal a vehicle. In such cases, the driver may claim the defense of implied consent and argue that the other thief had consent from the vehicle's owner. This creates a reasonable doubt that the driver "intentionally" operated the vehicle without consent and that person may escape prosecution for the theft.

This bill proposes to eliminate the defense of implied consent and assist in the prosecution of automobile theft by including the language, "knowingly, or recklessly" in section 708-836(1) of the Hawaii Revised Statutes. The revision lowers the state of mind element needed to fulfill the requirements of this offense and will lead to more convictions and a reduction in automobile theft.

Testimony in favor of this bill was heard from the Mayor's Office of the City and County of Honolulu.

Your Committee has amended this bill by making technical, nonsubstantive amendments to line 4.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1253, HD 1, and be referred to the Committee on Judiciary.

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

SCRep. 90 Transportation on H.B. No. 1476

The purpose of this bill, as referred to your Committee on Transportation, is to provide care for trees that have been planted along roadways.

Your Committee finds that, through the efforts of volunteers, trees have been planted along Kaahumanu and Hana Highways. Your Committee further finds that funds are necessary to maintain these plantings.

This bill proposes to appropriate funds for supplies and maintenance of trees planted along Kaahumanu and Hana Highways.

Testimonies in support of this bill were heard from the Department of Transportation, the county of Maui Department of Parks and Recreation, and the Outdoor Circle.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1476 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 and Yonamine.

SCRep. 91 Transportation on H.B. No. 1626

The purpose of this bill, as referred to your Committee on Transportation, is to protect homeowners from higher rates for fire insurance when serviced by volunteer firefighters.

Your Committee finds that although state and county firefighters were exempted from the commercial driver's licensing law, a commercial driver's license is still required for insurance rate purposes when volunteer firefighters provide the fire protection. Your Committee finds that this bill applies only to the county of Hawaii which has about 500 volunteer fire fighters.

This bill proposes to allow insurers, for purposes of rate making, to treat homeowners who live in areas serviced by volunteer firefighters to have the same insurance rates as homeowners who live in areas serviced by county firefighters.

Testimonies in support of this bill were heard from the Department of Transportation, the Department of Labor and Industrial Relations, and the Honolulu Fire Department.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1626 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 Case and Yonamine.

SCRep. 92 Transportation on H.B. No. 1627

The purpose of this bill, as referred to your Committee on Transportation, is to exempt firefighters from being required to have category (4) driver's licenses.

Your Committee finds that firefighters are exempt from having commercial driver's licenses, but are required to have category (4) driver's licenses if they drive fire equipment which weighs more than 26,000 pounds gross vehicle weight. Your Committee further finds that exemptions to drive the larger fire equipment without possessing category (4) licenses are valid requests.

This bill proposes to exempt firefighters from having category (4) driver's licenses, since the county training programs train firefighters to drive vehicles for which category (4) licenses are presently required.

Testimonies in support of this bill were heard from the Department of Transportation, the Department of Labor and Industrial Relations, the Honolulu Fire Department, and the Hawaii Fire Chiefs Association.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1627 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 Case and Yonamine.

SCRep. 93 Transportation on H.B. No. 1762

The purpose of this bill, as referred to your Committee on Transportation, is to expedite the disposal of impounded vessels with an appraised value of \$5,000 or less.

Your Committee finds that most impounded vessels have little value, and produce no bids at public auctions. Your Committee further finds that the requirement for a public auction delays the disposal process, resulting in lost custodial and mooring fees, as well as continued threats to the environment.

The proposed bill eliminates the requirement for an auction of impounded vessels when appraised by an experienced independent appraiser to be of value of \$5,000 or less.

Testimony in support of this bill was heard from the Department of Transportation. Testimonies in opposition to this bill were heard from Boats/Hawaii Inc., the Hawaii Power Boat Recreational Association, and a private citizen who were concerned about its possible unfair application to small boat owners, while the State's concern should be about large vessels.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1762 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 and Yonamine.

SCRep. 94 Transportation on H.B. No. 2135

The purpose of this bill is to appropriate funds for plans to realign Farrington highway at Makaha beach park.

Your Committee finds that the construction of our coastal state highways has adversely affected some of our beaches. The Department of Transportation recently expanded Farrington highway toward the beach at Mauna Lahilahi. Coastal experts from Sea Grant and a city coastal planner have examined the Mauna Lahilahi site and have found that this expansion has already damaged the area. If this problem is not corrected, the state will eventually have to expend funds to rehabilitate Mauna Lahilahi beach.

This bill proposes to appropriate funds for the preparations of plans for realignment of Farrington highway inland of Makaha beach park.

Testimonies in favor of this bill were heard from the Department of Transportation and Sierra Club.

Your Committee has amended this bill by reducing the appropriation from \$300,000 to \$1 to permit the Committee on Finance to determine an appropriate amount.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2135, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2135, HD 1, and be referred to the Committee on Finance.

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

SCRep. 95 Economic Development and Business Concerns on H.B. No. 542

The purpose of this bill is to stimulate the lagging economies of those counties devastated by the cumulative effects of natural disaster, economic recession, and the closure of sugar and pineapple plantations by temporarily speeding up the construction of specific kinds of capital improvement projects.

Specifically, this bill:

- (1) Exempts agency actions involving the construction of a public school or a public highway where the cost of construction is not more than \$1,000,000, from the Environmental Impact Statement (EIS) Law in counties with both:
 - (a) A resident population density of less than 95 persons per square mile; and
 - (b) An annual average civilian labor force unemployment rate of more than 8.75 percent;
 and
- (2) Authorizes the Board of Land and Natural Resources (BLNR), in accordance with the Administrative Procedure Law, to require agencies to:
 - (a) Prepare an environmental assessment or EIS; or
 - (b) Comply fully with any state or county procedure based upon an environmental assessment or EIS;
 if BLNR is presented with evidence that construction may result in significant effects.

Your Committee believes that these kinds of exemptions from the EIS Law and any state or county procedure based on this law are necessary to stimulate the lagging economies of certain counties.

Your Committee received testimony in support of the bill from the Hawaii Island Contractors' Association and the Hawaii Operating Engineers Industry Stabilization Fund. The Department of Education submitted testimony in support of the intent of the bill. Comments were submitted by the Department of Land and Natural Resources. The Office of Environmental Quality Control, Hawaii's Thousand Friends, and the Sierra Club, Hawaii Chapter, submitted testimony in opposition to the bill.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 542 and recommends that it pass Second Reading and be referred to the Committee on Energy and Environmental Protection.

Signed by all members of the Committee.

SCRep. 96 Economic Development and Business Concerns on H.B. No. 546

The purpose of this bill is to authorize the Governor to designate up to eight renaissance zones in the State.

Your Committee received testimony in support of the bill from the Kauai Economic Development Board and the Hawaii Operating Engineers Industry Stabilization Fund. The Department of Taxation submitted testimony in support of the intent of the bill. Comments were submitted by the Department of Business, Economic Development, and Tourism and the Tax Foundation of Hawaii.

Your Committee believes that the establishment of renaissance zones will encourage economic development by providing temporary relief from income and general excise taxes for persons located and operating within the designated renaissance zones.

Your Committee has amended this measure by making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 546, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 97 Economic Development and Business Concerns on H.B. No. 553

The purpose of this bill is to stimulate the lagging economies of those counties devastated by the cumulative effects of natural disaster, economic recession, and the closure of sugar and pineapple plantations by speeding up the construction of specific kinds of capital improvement projects that have already been funded by the legislature.

Specifically, this bill exempts agency actions involving the construction of a public school or a public highway that was completely funded by the Legislature prior to April 30, 1996, from the Environmental Impact Statement (EIS) Law in counties with both:

- (1) A resident population density of less than 95 persons per square mile; and

- (2) An annual average civilian labor force unemployment rate of more than 8.75 percent.

However, this does not apply to the construction of public schools and public highways whose size, cost, and other characteristics, as specified in the General Appropriations Act, the Supplemental Appropriations Act, or other acts authorizing the construction of these projects, that have been altered by the Governor.

Your Committee finds that these kinds of exemptions from environmental impact statement law and any state or county procedure based upon this law are necessary to stimulate the lagging economies of certain counties.

Your Committee received testimony in support of this bill from the Hawaii Operating Engineers Stabilization Fund. Testimony in support of the general intent of the bill was submitted by the Department of Education. Hawaii's Thousand Friends submitted testimony in opposition to the bill.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 553 and recommends that it pass Second Reading and be referred to the Committee on Energy and Environmental Protection.

Signed by all members of the Committee.

SCRep. 98 Economic Development and Business Concerns on H.B. No. 581

The purpose of this bill is to define the liability of persons who own or operate businesses providing recreational activities to the public.

Your Committee believes that clarifying the liability of owners and operators of recreational activities and allowing voluntary written waivers to limit that liability will promote and encourage recreational business activity in the State.

Your Committee received testimony in support of the bill from Maui-Molokai Sea Cruises, Maui Classic Charters, Inc., the President of Maui Downhill, Zip-Purr Charters, Trilogy, Makena Coast Charters, and McBoat. Comments were submitted by the Activity Association of Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 581 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 99 Health and Human Services and Housing on H.B. No. 1336

The purpose of this bill is to enable pregnant applicants, including legal immigrants, to receive QUEST coverage before final determination of their eligibility by presuming that eligibility at the time of application for QUEST coverage.

Specifically, this bill requires the Department of Human Services to provide QUEST coverage, including initial plan selection, to all pregnant applicants including legal immigrants whose eligibility have not yet been finally determined to be eligible, if at the time of application, they can show:

- (1) Annual income at or below the maximum allowable by federal law under the 1115 waiver;
- (2) A positive test for pregnancy either through a medical examination or through urinalysis; and
- (3) Citizenship or legal resident immigrant status.

In addition, the Department is required to:

- (1) Not apply an asset test;
- (2) Determine final eligibility within forty-five days, or sixty days if the applicant is disabled;
- (3) Issue a warning notice to an applicant who has not submitted all needed documents for enrollment within thirty days of application, and terminate the application if documents are not submitted within forty-five days; and
- (4) Adopt necessary rules.

Healthy Mothers Healthy Babies, the Hawaii Medical Association, the Hawaii State Primary Care Association, Malama Community Prenatal Care, Community Clinic of Maui, Waianae Coast Comprehensive Health Center, and the Kalihi-Palama Health Center testified in support of the bill. Aloha Care and the Department of Human Services testified in support of the intent of the bill, that is, to provide early prenatal care to pregnant women, but further testified that the bill is unnecessary because the Department has already taken measures to address the delays in eligibility processing for pregnant applicants.

Your Committees find that early access to prenatal care is the most cost-effective method of preventing a host of illnesses such as low birth weight, premature birth, developmental and learning disabilities, and certain birth defects. The problems generated by these conditions exact a very high price throughout the person's life on both the families themselves and on the State, which is expected to marshal a variety of medical, educational, and developmental remedies to treat these conditions.

Your Committees find that prenatal care was delayed to about eight hundred pregnant women applying for QUEST coverage in 1995 because of delays in finally determining their eligibility. It was also shown that more than ninety per cent of women who apply for QUEST coverage are ultimately determined eligible. Although the Department of Human Services has taken certain steps to expedite eligibility processing, your Committees find that the problem has not been completely solved. In light of this, your Committees believe that it is in the best interest of all pregnant women applicants for QUEST and the State to allow the concept of presumptive eligibility to operate when processing pregnant women QUEST applicants.

Your Committees also wish to clarify that the new federal welfare law, the Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104-193), bars federal aid to legal immigrants but allows states the option to provide or deny state-funded aid.

Consequently, your Committees amended this bill to require the Department of Human Services to ensure that state funding is available from its departmental budget for QUEST coverage for pregnant women applicants and enrollees who are legal immigrant residents.

In addition, your Committees further amended this bill to allow the Department of Human Services to accept the services of volunteers in the enrollment and eligibility determination process. Volunteers would assist departmental staff, but will not have determining authority.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1336, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1336, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 100 Agriculture on H.B. No. 170

The purpose of this bill is to provide equitable treatment to all farmers by offering a tax credit to those farmers who do not have access to a state irrigation project and are forced to purchase water at higher rates from a county.

The Hawaii Farm Bureau Federation, the Filipino Coalition for Solidarity, and the Oahu Filipino Community Council submitted testimony in support of the intent of this bill. The Department of Taxation submitted testimony in opposition to this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 170 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai and McDermott.
(Representative Fox voted no.)

SCRep. 101 Agriculture on H.B. No. 276

The purpose of this bill is to exempt amounts received from governmental agricultural crop disaster assistance programs from the general excise tax.

The Hawaii Farm Bureau Federation submitted testimony in support of this bill. The Department of Taxation submitted testimony in opposition to this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 276 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai and McDermott.

SCRep. 102 Agriculture on H.B. No. 935

The purpose of this bill is to establish a dairy revolving fund within the Department of Agriculture (DOA) to be funded by the proceeds of application fees and licenses issued by the DOA under the Milk Control Law.

The Hawaii Fresh Milk Industry, Inc., submitted testimony in support of this bill. The DOA submitted testimony in opposition to this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 935 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.
(Representative Fox voted no.)

SCRep. 103 Agriculture on H.B. No. 1485

The purpose of this bill is to delegate the authority to approve aquacultural loans to the Chairperson of the Board of Agriculture (BOA) where the requested amount, plus any principal balance on existing loans to a loan applicant, does not exceed \$25,000 of state funds.

Testimony in support of the bill was received from the Department of Land and Natural Resources, the Hawaii Fish Company, the Hawaii Aquaculture Association, and Mokuleia AquaFarm.

Your Committee recognizes the significant economic potential of the aquaculture industry in the State. This bill would enable the Department of Agriculture to respond to the financial needs of farmers, especially their emergency needs, and, therefore, would greatly assist the expansion of this growing industry.

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

- (1) Specifying what Class D emergency aquacultural loans are;
- (2) Requiring the BOA to determine the maximum amounts and period of the emergency loans;
- (3) Specifying that the BOA is to require that any settlement or moneys received by qualified aquaculturalists as a result of an emergency is to first be applied to the repayment of an emergency loan; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1485, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

SCRep. 104 Water and Land Use on H.B. No. 1670

The purpose of this bill is to require the Chairperson and members of the Board of Land and Natural Resources (BLNR) and the employees of the Department of Land and Natural Resources (DLNR) to successfully complete the Hawaii Hunter Education Program.

The Hawaii Rifle Association (HRA) and Hawaii Citizens' Rights Political Action Committee strongly supported passage of this bill. The HRA testified that this bill will ensure that those individuals within the DLNR who are responsible for the overall management of hunting will have a strong background on the subject.

The DLNR supported the intent of this bill and recommended that the requirement be restricted to individuals and employees who are primarily involved in wildlife management.

Your Committee concurs with DLNR's recommendation and has amended this bill by:

- (1) Limiting the requirement to the Chairperson, BLNR members, and employees whose primary duties relate to wildlife management activities and animal control activities; and
- (2) Making a technical, nonsubstantive revision for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1670, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1670, HD 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Kanohe, Morihara and Yoshinaga.

SCRep. 105 Labor and Public Employment on H.B. No. 133

The purpose of this bill is to develop a globally competitive and skilled Hawaii workforce by encouraging greater employer participation in school-to-work activities by clarifying coverage of workers' compensation for students in work-based learning situations.

Supporting testimony was submitted by the Department of Labor and Industrial Relations (DLIR), the Department of Education (DOE), the University of Hawaii (UH), the Chair of the Hawaii School-to-Work Opportunities Executive Council, and the Hawaiian Electric Company.

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

- (1) Clarifying that whenever a student participating in an approved school-to-work program sponsored by the DOE or UH undertakes to perform work for a private employer as part of the student's internship program, whether paid or unpaid, the State is the responsible employer for the purposes of workers' compensation coverage;
- (2) Requiring the DOE and UH, rather than DLIR to submit biennial reports to the Legislature; 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 Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 133, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yamane.

SCRep. 106 Labor and Public Employment on H.B. No. 144

The purpose of this bill, as received by your Committee, was to eliminate overtime compensation in the calculation of retirement benefits for members of the Employees' Retirement System (ERS).

Testimony in support of this measure was submitted by the ERS and a City and County of Honolulu employee. Opposing testimony was received from public labor organizations, police officers, county liquor control employees, and other government employees.

Your Committee finds that eliminating overtime compensation in the calculation of retirement benefits will remove a possible incentive for overtime abuse and serve to promote equity among ERS members as many public employees never receive overtime opportunities. However, your Committee recognizes the disproportionate adverse effect the proposed change may have upon ERS members who based past employment decisions upon the current law.

Accordingly, your Committee has amended this bill to:

- (1) Eliminate overtime compensation in the calculation of a member's average final compensation only for those employees who become members of the ERS after June 30, 1997;
- (2) Clarify that overtime payments are also not to be included in the calculation of a member's contribution to the annuity savings fund; and
- (3) Make June 30, 1997, the effective date of the Act.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 144, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yamane.
(Representative Takumi voted no.)

SCRep. 107 Labor and Public Employment on H.B. No. 816

The purpose of this bill is to permit members of the Employees' Retirement System (ERS) as of June 17, 1996, to receive two years of active military service credit for retirement purposes after eight years of credited service as a state or county employee.

Act 241, Session Laws of Hawaii 1996, which became effective on June 18, 1996, increased from eight to ten years, the number years of credited service required before a member of the ERS with honorable active military service becomes eligible for two years of membership service credit. No exception to the law was provided for employees who had joined the ERS prior to the Act's effective date.

Testimony in support of this bill was received from the Office of Veteran Services, government labor organizations, veteran and military benefit associations, and state and county employees adversely impacted by Act 241. The ERS submitted testimony recommending amendments to the bill.

Your Committee has adopted the recommendations of the ERS and has amended this bill by:

- (1) Providing that the latest membership date shall apply in cases where a member leaves and then re-enters the system at a later date;
- (2) Clarifying that employees must become members in accordance with section 88-42; and
- (3) Making technical, nonsubstantive changes required by the incorporation of new subsections into the existing statute.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 816, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 816, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Suzuki, Takumi and Yamane.

SCRep. 108 Education on H.B. No. 166

The purpose of this bill is to designate the Old Kaimuki Public Library as a senior citizen center and to require the current tenants to vacate the facility.

The Department of Education submitted testimony recognizing the need for a senior citizen center in the Kaimuki area, but did not support the bill.

Your Committee has recognized the need for a senior citizen center in Kaimuki for some time now. In fact, last session the House of Representatives adopted H.R. No. 4, HD 1, requesting the Board of Education, the City and County of Honolulu, and the Kaimuki Neighborhood Board No. 4 to identify and secure a site to establish a community/senior citizen center for the Kaimuki community.

To date, the progress report requested by the Resolution has not been submitted to the Legislature. Apparently, not much progress has been made, if any. Your Committee is neither sufficiently informed of the properties within the Kaimuki area, nor sufficiently aware of the needs of senior citizens in the area, to determine the most desirable site for a senior citizen center. The parties that are most knowledgeable should make this decision.

The Old Kaimuki Public Library is one possible site for a senior citizen center. There may be other appropriate sites in the area. Your Committee would like the three parties named in the Resolution to decide on the most appropriate site.

As such, your Committee has decided to require the current tenants of the Old Kaimuki Public Library to vacate the facility by July 1, 2000. In the interim, it is expected that the three parties named in the Resolution will determine the most appropriate site and report to the Legislature as was requested by the Resolution.

The bill has been amended to:

- (1) Delay the vacating of the Old Kaimuki Public Library from July 1, 1998 to July 1, 2000;
- (2) Delete the appropriation; and
- (3) Make technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 166, HD 1, and be referred to the Committee on Human Services and Housing.

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

SCRep. 109 Education on H.B. No. 326

The purpose of this bill is to transfer from the Department of Accounting and General Services (DAGS) to the Department of Education (DOE) the responsibility for the construction of school facilities and the repair and maintenance of school facilities.

The DOE testified in support of the intent of the bill. The Hawaii State Teachers Association testified in support of the bill. DAGS cited the factors of inefficiencies and duplication in testifying against the bill.

The United Public Workers (UPW) opposed passage of the bill in its current form, because it allows students to perform routine repair and maintenance work, in violation of the right of the union to protect and expand the bargaining unit. However, UPW testified that it is willing to negotiate to allow students in the School-To-Work Program to perform repair and maintenance work.

At this time, your Committee believes that there are too many unanswered questions to transfer the facilities construction function and the repair and maintenance function from DAGS to DOE. However, your Committee would like to retain the concept of students performing repair and maintenance work in the schools as advantageous to both the participating students and the schools.

Your Committee has amended the bill to delete its contents except for the statutory provision allowing students to engage in repair and maintenance work. Further amendments have been made to allow only students in the School-to-Work Program to participate in this kind of work.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 326, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 326, HD 1, and be referred to the Committee on Labor and Public Employment.

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

SCRep. 110 Judiciary on H.B. No. 392

Your Committee finds that there is a great need for pro bono legal services to assist indigents. There is also a need to provide funding to the organizations which provide legal referral services. This bill adds pro bono legal referral services to the types of services for which moneys collected under the surcharge on civil action fees, established pursuant to Act 305, Session Laws of Hawaii 1996, shall be used.

Your Committee has amended this bill by revising the definition of pro bono legal referral services to clarify that these services are "provided by programs that organize licensed attorneys for the purpose of providing pro bono services to indigent clients."

The bill received favorable testimony from the Hawaii State Bar Association and from Hawaii Lawyers Care. There was no testimony in opposition to 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 H.B. No. 392, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 392, HD 1, and be referred to the Committee on Finance.

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

SCRep. 111 Judiciary on H.B. No. 113

The purpose of this bill is to amend the lists of controlled substances contained in the schedules of Chapter 329, Hawaii Revised Statutes. In addition to controlled substances added, deleted or rescheduled pursuant to corresponding changes in federal law, the bill includes "date rape drugs" and other substances that evidence a high potential for abuse.

Your Committee received testimony from the Department of Public Safety, the Department of the Prosecuting Attorney and the Honolulu Police Department in strong support of this measure.

Your Committee also received testimony from Longs Drug Stores and the Nonprescription Drug Manufacturers Association, who expressed concern that various over-the-counter drugs containing Ephedrine might become unavailable if certain exemptions were not incorporated into the bill. The Department of Public Safety did not object to this concern and suggested an appropriate modification to the bill.

Your Committee believes that the availability of certain over-the-counter drugs in a timely and cost effective manner is important and has amended the bill by:

- (1) Adding new subsections (g) and (h) to Chapter 329-20 Hawaii Revised Statutes which would exclude certain United States Food and Drug Administration approved over-the-counter products from the prohibitions of this bill; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 113, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 113, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 112 Judiciary on H.B. No. 462

The purpose of this bill is to:

- (1) Establish a fine of \$50 for the failure to file a financial disclosure statement;
- (2) Require the State Ethics Commission to notify persons of their failure to file their disclosure statement; and
- (3) Assess an additional \$10 per day penalty for each day a disclosure statement remains unfiled.

All penalties are to be deposited in the State's general fund.

Your Committee finds that the State Ethics Commission has experienced many late filings of the financial disclosure statements that are required to be filed by legislators and appointed officials pursuant to Chapter 84, Hawaii Revised Statutes.

Your Committee received testimony in support of the bill from the State Ethics Commission, the League of Women Voters of Hawaii and Common Cause Hawaii. There was no testimony opposing the bill.

Your Committee has amended the bill by:

- (1) Requiring notice to late filers to be sent by registered mail, return receipt requested;
- (2) Adding language to authorize the State Ethics Commission to waive the penalty for good cause; and
- (3) Adding a section indicating that the new provisions have no effect on existing proceedings.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 462, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 462, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 113 Judiciary on H.B. No. 323

The purpose of this bill is to allow the grand jury counsel to actively advise the grand jury even if the grand jury does not actively seek the advice.

A former Hawaii State judge testified in support of the measure.

Your Committee finds that under current law the grand jury counsel may not initiate advice to the grand jury but must wait until called upon. This creates a problem when the grand jury does not ask its counsel for the laws applicable to the indictment proposed by the prosecution. This information is necessary to allow the grand jury to properly fulfill its function, yet the grand jury counsel cannot provide it without a specific request by the grand jury. This bill corrects the problem by giving the grand jury counsel the authority to freely render legal advice to the grand jury.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 323 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, Hiraki and Menor.

SCRep. 114 Judiciary on H.B. No. 675

The purpose of this bill is to amend section 708-840, Hawaii Revised Statutes (HRS), by removing the element of intent with regard to inflicting or attempting to inflict serious bodily injury upon another.

Your Committee heard testimony from the Department of the Attorney General and the Department of the Prosecuting Attorney supporting the intent of the bill, but both also suggested further amendments to the section.

Your Committee also heard testimony from the Office of the Public Defender questioning the need to amend the section.

Your Committee finds that the impetus for this bill was a recent jury verdict rendered in a case involving the beating of a tourist. The controversial decision highlighted the perceived problems of the current statute. In that case, the jury apparently did not find a defendant guilty of robbery in the first degree because they did not believe he "intended" to injure the victim that seriously.

Your Committee is sensitive to problems affecting the just and expeditious enforcement of our criminal laws. However, your Committee is also under a special obligation to use care in approaching revisions to the Penal Code to ensure a consistency between the various sections of the code. A good example of this consistency is to compare the robbery sections with the assault sections of the code.

Basically, a robbery is defined as an assault perpetrated in the course of committing theft. Assault in the first degree defines the requisite state of mind in section 707-710, HRS, as "intentionally or knowingly" causing serious bodily injury. The difference between acting intentionally and knowingly is subtle but nevertheless distinct. As defined in section 702-206, HRS, "intentionally" is characterized by a conscious object to engage in certain conduct or cause a certain result, while "knowingly" means that the person is aware that it is practically certain that his conduct will cause such a result.

Your Committee believes that instead of deleting the word "intentionally" from the section, the internal consistency of the Penal Code as well as the perceived problems of the section can be addressed by adding the words "or knowingly" to the section.

Accordingly, your Committee has amended the bill by:

- (1) Retaining the word "intentionally" and adding thereafter the phrase "or knowingly"; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 675, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 675, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 115 Education on H.B. No. 701

The purpose of this bill is to improve security services in the public schools by, among other things:

- (1) Requiring the Department of Public Safety (PSD) rather than the Department of Education (DOE) to carry out the initial and ongoing training of school security attendants after June 30, 1998, subject to the availability of funding; and
- (2) Requiring the Department of Human Resources Development (DHRD), in consultation with the DOE, PSD, and the exclusive collective bargaining representative for school security attendants to revise the minimum qualification specifications for school security attendants.

The Hawaii State Teachers Association submitted testimony in support of this measure. The DOE submitted testimony concurring with the intent of this measure. Opposing testimony was submitted by PSD.

Your Committee supports efforts to improve security services in the public schools by authorizing PSD to be responsible for the training curriculum of all school security attendants. However, to maintain accountability, the DOE will continue to be responsible for the overall management and supervision of these attendants.

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

- (1) Deleting the requirement that DHRD, in consultation with the DOE, PSD, and the exclusive bargaining representative for school security attendants revise the minimum qualification specifications for school security attendants;
- (2) Deleting provisions that transfer school security attendant positions to PSD;
- (3) Clarifying that the DOE will be responsible for the management and supervision of school security attendants; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee received testimony that proper training for school security attendants would require at least 120 hours of coursework.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 701, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 701, HD 1, and be referred to the Committee on Judiciary.

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

SCRep. 116 Education on H.B. No. 849

The purpose of this bill is to combat the serious and growing problem of substance abuse among our youth population by establishing effective prevention and treatment practices.

Specifically, the bill would, among other things:

- (1) Authorize the Department of Education to conduct only suspicion-based testing of particular students, with the consent of the student's parents;
- (2) Require the Departments of Education, Health, and Human Services to provide appropriate follow-up intervention for students who test positive and their parents; and
- (3) Require the Department of Education to encourage parents to voluntarily utilize their own medical insurance to pay for their children's drug tests.

Testimony supporting the intent of the bill was received from the Hawaii State Teachers Association. Comments regarding the measure was received from the Departments of Education and Human Services.

Your Committee finds that drug abuse among students in the public schools is a significant problem that affects the education not only of the abusers, but the education of all students. As such, this problem deserves increased attention.

Testimony noted that this bill does not require drug testing, follow-up counseling, or other intervention services without the approval of the parent or guardian of the student. While a refusal by a parent or guardian is regrettable, your Committee hopes that the great majority of them will consent, thereby enabling them to form a partnership with the relevant agencies to combat the problem of drug abuse.

Your Committee is aware of the potential legal ramifications of this bill. However, legal issues falls within the scope of the Judiciary Committee, to which this bill is referred next. As such, your Committee urges the Judiciary Committee to address the legal issues associated with this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 849 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 117 Education on H.B. No. 1430

The purpose of this bill is to authorize the Department of Education (DOE) to establish high school canoe teams in each school in cooperation with private canoe clubs.

The Department of Education submitted testimony concurring with the intent of this measure. Comments were submitted by a concerned individual.

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

- (1) Deleting the requirement that the DOE must assist any high school principal in establishing a canoe team; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1430, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1430, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 118 Human Services and Housing on H.B. No. 121

The purpose of this bill is to establish a five-year statewide public service employment demonstration project to be created within the Department of Labor and Industrial Relations to alleviate the unemployment and underemployment of state public assistance recipients.

The National Association of Social Workers and the Committee on Welfare Concerns submitted testimony in support of this measure. The Department of Human Services and the Department of Labor and Industrial Relations submitted comments.

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

- (1) Clarifying that the scope of the demonstration project include training in both private and public sectors by calling it a statewide employment training demonstration project;
- (2) Deleting the provision making full-time Hawaii National Guard employees or members on temporary active duty eligible to participate in this program;
- (3) Making it optional to use moneys from the Employment and Training Fund for this or similar projects;
- (4) Making it optional to hire unemployed licensed professionals for training purposes at their regular contract rates;
- (5) Clarifying that the Department of Human Services may either establish child care centers or use licensed child care centers to employ persons in these projects;
- (6) Deleting the provision making the Hawaii National Guard facilities available when necessary;
- (7) Clarifying that the Department of Labor and Industrial Relations is the lead agency in this demonstration project; and
- (8) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 121, HD 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee.

SCRep. 119 Human Services and Housing on H.B. No. 161

The purpose of this bill is to render ineligibility for welfare benefits to persons who are convicted of welfare fraud, and to seek retroactive ineligibility for these benefits.

A concerned individual submitted testimony in support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying that persons guilty of welfare fraud will forfeit all assistance that was received prior to the conviction unless the assistance is shown to have been legitimately received; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 161, HD 1, and be referred to the Committee on Judiciary.

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

SCRep. 120 Human Services and Housing on H.B. No. 1796

The purpose of this bill is to meet the bonding needs of the Housing Finance and Development Corporation (HFDC) by allowing HFDC to:

- (1) Include its general revenues as a source of funds to help repay revenue bonds issued by HFDC; and
- (2) Issue deeply discounted bonds to finance the infrastructure for the five hundred acre former West Oahu Campus site and approximately eight hundred acre East Kapolei site in an amount that exceeds the current statutory limit of no more than ten percent of the bond issue.

The Housing Finance and Development Corporation submitted testimony commenting on this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1796 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 121 Human Services and Housing and Health on H.B. No. 1910

The purpose of this bill is to establish and authorize an interdepartmental decategorization program for the development of pilot projects that may demonstrate more effective ways of delivering mental health, educational, and protective services to multi-problem, multi-service children and adolescents.

Both written and oral testimony submitted by the Department of Human Services, the Office of Youth Services, the Governor's Office, the Mental Health Association, the Hawaii 'Ohana Project, the Department of Health, the Department of Education, the State Children's Council, and numerous concerned citizens, revealed wholehearted support for the intent of this measure. An urgent need was expressed for decategorization and collaboration between the various state agencies in order that multi-problem individuals and/or families, whose needs demand resources from multiple sources, can receive them in an efficient and case-specific manner.

While there was hesitation on the part of several of those who testified that a proviso in last session's budget bill, establishing what has been deemed by many a successful pilot program for decategorization and inter-agency collaboration, would be a sufficient vehicle for accomplishing the legislature's intent, your Committees concluded that the measure should pass with one amendment.

Your Committees specifically found that several words should be deleted from Section 4., in order to clarify the bill.

Your Committees have requested that Section 4 of the original bill should be amended to read:

The governor's office shall evaluate the effectiveness of the pilot projects developed under this decategorization demonstration program and provide an interim report of findings to the Legislature no less than ten days after the convening of the 1998 regular session of the Legislature and a final report no later than ten days after the convening of the 2002 regular session of the Legislature.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1910, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1910, HD 1, and be referred to the Committee on Education.

Signed by all members of the Committees.

SCRep. 122 Ocean Recreation and Marine Resources on H.B. No. 1498

The purpose of this bill, as received by your Committee on Ocean Recreation and Marine Resources, is to appropriate \$200,000 for the Blue Water Marine laboratory to charter the vessel "KILA", to be expended by the Research Corporation of the University of Hawaii. It also requires matching private contributions.

Your Committee recognizes the value of the Blue Water Marine Laboratory (BML) as an important educational resource for the citizens of Hawaii. Established over 20 years ago as a cooperative program between the University of Hawaii and the Department of Education, the program provides intensive training in oceanography to 30 high school students during the summer. Graduates of this program serve as mentors to the 3,000 school students who participate in half-day ship-board experiences aboard the University research vessel "KILA". Your Committee also recognizes that the BML is one of the few field-based programs available to DOE teachers, and the only ocean-based student program in Hawaii.

Your Committee finds that current budget restrictions have eliminated funding for the BML, thereby putting this program in jeopardy. In an effort to assist the program, your Committee has decided to support additional funding to BML provided that these funds are matched dollar-for-dollar by private funds.

Testimony in support was received from the University of Hawaii and a private individual provided that its passage does not replace or adversely impact priorities as indicated in the Executive Biennium Budget.

Your Committee amended this bill by reducing the funding request to \$140,000 and deleting the specific name of the research vessel.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1498, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1498, HD 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Meyer.

SCRep. 123 Ocean Recreation and Marine Resources on H.B. No. 1745

The purpose of this bill, as received by your Committee on Ocean Recreation and Marine Resources, is to reduce the maximum penalty for any person violating a rule adopted pursuant to chapter 200, Hawaii Revised Statutes (HRS), from that of a misdemeanor to a petty misdemeanor.

Your Committee finds that any violation of Department of Land and Natural Resource rules relating to small boat harbors and ocean recreation management areas (except for violations relating to pollution) carries a maximum fine of \$2,000, or is otherwise classified as a misdemeanor which carries a possible jail term of up to one year. Your Committee recognizes that there has been a significant increase in the number of persons charged with relatively minor citations who have been successful in having District Courts grant a jury trial based on the argument that the violation was a misdemeanor. Jury trials have been awarded even for violations for which bail forfeiture has been set a \$50 or less. Consequently, due to court backlogs, boating violations are given a low priority, possibly resulting in eventual dismissal due to lack of a speedy trial.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources and a private individual. BOATS/HAWAII, Inc., testified in support of this measure with recommended changes to reduce the minimum fine to \$25 from \$200 and reduce the period of time the offender could be deprived of operating and mooring any vessel in the state to thirty days from two years.

Testimony in opposition to this measure was submitted by the Hawaii Power Boat Association and two private individuals.

Your Committee agrees with the intent of this measure, but recognizes the importance of providing flexibility to the judge in determining the proper penalty for the violation. Therefore, your Committee has amended the measure to adopt the suggestions of BOATS/HAWAII and reduce the minimum fine to \$25 from \$200 and reduce the period of time the offender could be deprived of operating and mooring any vessel in the state to thirty days from two years. In addition, your Committee recognizes the problems being experienced in the Ocean Recreation Management Area system as administered by DLNR-DOBOR and will endeavor to address this problem through a resolution this session.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1745, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1745, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Meyer.

SCRep. 124 Ocean Recreation and Marine Resources on H.B. No. 1495

The purpose of this bill, as received by your Committee on Ocean Recreation and Marine Resources, is to appropriate funds from the boating special fund for the installation and maintenance of the day-use mooring buoy system statewide.

Your Committee finds that the state-wide system of day-use mooring buoys is providing substantial benefits to our state by protecting Hawaii's precious coral reefs from anchor damage. Your Committee notes that to date, nearly all the costs of installing the state-wide system was provided by contributions from the private sector, even though substantial public benefits are derived from this system.

The Department of Land and Natural Resources testified in support of the bill, provided that certain changes are incorporated and that those changes would not affect funding priorities in the executive budget. The Department of Land and Natural Resources stated that since the protection of the coral reefs provided by the mooring buoys will be of equal benefit to the general public as well as boaters, they believe this effort should properly be funded by general revenues, rather than through the boating special fund.

Your Committee has amended this bill by incorporating the recommendations of the Department of Land and Natural Resources as follows:

- (a) Changing the means of financing to a capital improvement project funded through the use of General Obligation Bonds, with the debt service and maintenance cost planned and incorporated in the Boating Program's operating budget;
- (b) Inserting the amount of \$62,000 for the costs of materials and supplies; and
- (c) Identifying that the sum appropriated shall be expended by the Department 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 H.B. No. 1495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1495, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

SCRep. 125 Ocean Recreation and Marine Resources on H.B. No. 1733

The purpose of this bill, as received by your Committee on Ocean Recreation and Marine Resources, is to clarify the assessment from the Boating Special Fund due to the General Fund for central services expenses.

Your Committee finds that when the Boating Program was in the Department of Transportation, a five percent special fund assessment for central services expenses was levied on only those special fund revenues which were not set aside or

encumbered for payment of debt service on General Obligation Bonds. When the Boating Program was transferred to become the Division of Boating and Ocean Recreation in the Department of Land and Natural Resources, the Director of Finance determined that the five percent assessment was to be levied on all special fund revenues in the Boating Special Fund, including that set aside for debt service payments on General Obligations Bonds.

Testimony in support of this measure was provided by the Department of Land and Natural Resources.

Testimony in opposition was submitted by BOATS/HAWAII and a private individual who believed that this bill added an additional five percent assessment of the Boating Special Fund, and that this additional cost would then be passed on to the boaters in harbor fee increases. BOATS/HAWAII supported the concept of a port authority and noted that 100% of boating fees should go to the support of small boat harbors.

This measure ensures that the criteria for assessment of the five percent of the Boating Special Fund revenues for contribution to central services expenses is the same as the criteria that was in effect while the Boating Program was organized as a branch of the Harbors Division of the Department of Transportation. Your Committee determined that this measure would actually decrease the amount of money taken from the Boating Special Fund and deposited into the general fund, thereby leaving more funds to support small boat harbors. Your Committee agrees with the Department of Land and Natural Resources that the same criteria should be used in making the general services assessment so as not to take a percentage of those funds already set aside or encumbered for debt service on General Obligation Bonds.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1733 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

SCRep. 126 Tourism on H.B. No. 665

The purpose of this bill is to extend the existence of the Convention Center Authority from June 30, 1998 to June 30, 1999, and to appropriate unspecified amounts for the operation of the center in fiscal years 1997-1998 and 1998-1999.

Your Committee received testimony in support of this bill from the Convention Center Authority and the Hawaii Hotel Association.

Your Committee finds that the Hawaii Convention Center development schedule specifies an opening date of July 1, 1998. Extending the life of the authority to June 30, 1999 will allow it to oversee the first year of operations of the center. During that period, the authority will establish policies, rate structure and performance reviews to ensure the use of the center to serve the needs of the state of Hawaii.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 665, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 127 Health on H.B. No. 530

The purpose of this bill is to:

- (1) Require that hospitals:
 - (A) Conduct a security and safety assessment of its facilities;
 - (B) Develop a security plan based upon the assessment;
 - (C) Employ sufficient security personnel to implement the security plan; and
 - (D) Provide adequate training to security personnel regarding the role of security in hospital operations.
- (2) Require the reporting of any acts of criminal assault resulting in injury or involving the use of a firearm or other dangerous instrument against hospital employees within forty-eight hours of the incident;
- (3) Absolve persons reporting such acts of criminal assault from civil and criminal liability; and
- (4) Impose criminal liability upon persons who knowingly interfere with or obstruct the reporting process.

Your Committee finds that the safety and security assessment, monitoring, training, and reporting duties imposed upon hospitals by this measure are consistent with those already in place at the Hawaii State Hospital and represent reasonable contemporary practice standards.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 530 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, Saiki and Stegmaier.

SCRep. 128 Health on H.B. No. 1666

The purpose of this bill is to:

- (1) Ensure demonstrated state support of the family practice residency program at the John A. Burns School of Medicine; and
- (2) Assist the John A. Burns School of Medicine, through the Wahiawa General Hospital, in providing both organizational and financial stability to the family practice residency program.

The interim dean of the John A. Burns School of Medicine and the administrator of the Wahiawa General Hospital submitted testimony in support of the bill.

Your Committee has amended this bill by:

- (1) Removing language linking accreditation with levels of funding;
- (2) Removing statutory language establishing a residency program;
- (3) Included language to fund two full-time teaching positions for the family practice residency program to be located at the Wahiawa General Hospital;
- (4) Inserting the sum of \$1 to facilitate further discussion; and
- (5) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1666, HD 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 129 Health on H.B. No. 980

The purpose of this bill is to require employers with two or more employees to adopt a smoking policy to accommodate both smoking and nonsmoking employees. This requirement does not apply to the dining areas of restaurants, bars, or to meeting or banquet rooms in hotels, motels, or other lodging establishments when used for private functions, or to convention center facilities when used for private functions or to hotel guest rooms. In addition, this bill prohibits smoking in state workplaces.

This bill would update the existing smoking in the workplace statute to reflect current scientific findings and public health policy relating to environmental tobacco smoke.

Your Committee heard testimony from the Department of Health that cigarette smoking is Hawaii's and the nation's number one preventable cause of death, illness and disability accounting for 419,000 deaths and \$65 billion in economic losses nationally. Environmental tobacco smoke is the third leading preventable cause of death in the United States today, behind active smoking and alcohol. The Environmental Protection Agency, in a landmark report released in 1992 classified environmental tobacco smoke as a "Class A" carcinogen. This category is reserved for the most dangerous cancer causing substances such as radon, asbestos, and benzene. Nationally, 53,000 deaths annually are attributed to environmental tobacco smoke exposure alone.

In 1995 1,182 Hawaii residents died from tobacco-related illnesses, accounting for 16 percent of all resident deaths. The economic impact to Hawaii was a staggering \$328 million in direct medical and health care costs, costs related to premature and preventable smoking related death and disability.

Testimony in support of this measure was also received from the Hawaii Medical Association, the American Cancer Society, and the Building Owners and Managers Association Hawaii. Testimony opposed to this measure was received from the Tobacco Institute, and the United Public Workers Union.

Your Committee has amended this bill to provide that it will apply to any private employer that employs five or more persons, rather than two or more persons.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 980, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 980, HD 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representative Arakaki.

SCRep. 130 Health on H.B. No. 1830

The purpose of this bill is to ensure the adequate response of health care personnel during a disaster by providing all volunteer emergency medical disaster response personnel with immunity from liability and workers' compensation coverage.

Supportive testimony was submitted by the Department of Health, the Hawaii Medical Association, and the National Association of Social Workers.

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

- (1) Including "social workers" as volunteer emergency medical disaster response personnel; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1830, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1830, HD 1, and be referred to the Committees on Public Safety and Military Affairs and Judiciary.

Signed by all members of the Committee.

SCRep. 131 Health on H.B. No. 1831

The purposes of this bill are to:

- (1) Extend a provisional admission to school children whose immunization schedule is incomplete in accordance with Department of Health requirements;
- (2) Establish the administrator of the school to be responsible for notifying parents of an incomplete immunization schedule and its consequence;
- (3) Clarify and expand the authority of school health aides concerning the administration of medication needed for emergency and life-threatening situations;
- (4) Update provisions relating to quality control for HIV tests to provide for new tests that do not require the use of serum and to state explicitly that tests must be approved by the Food and Drug Administration;
- (5) Delete the requirement to maintain a roster of exemptions of immunizations or vaccinations at each Department of Health office; and
- (6) Repeal the Chronic Renal Disease Program as established in Part XI of Chapter 321, Hawaii Revised Statutes.

The Department of Health submitted testimony in support of this measure. The Department of Education submitted testimony in support of the intent of this measure. The National Kidney Foundation of Hawaii, the St. Francis Medical Center, and the Hawaii Government Employees Association submitted testimony in opposition of this measure.

Your Committee has amended this bill by:

- (1) Deleting the provisions to repeal the Chronic Renal Disease Program; and
- (2) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1831, HD 1, and be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 132 Health on H.B. No. 517

The purpose of this bill is to authorize the Department of Health (DOH) to establish a State child fatality review team and county review teams, in order to investigate the incidence and causes of child fatalities and to decrease the incidence of preventable child deaths.

Testimony in support of this bill was received from the Department of Education and the Judiciary. DOH supported the bill, but favored the language of a similar measure pertaining to child death review which was the product of the voluntary, multidisciplinary, and multiagency Child Death Review Council.

Testimony in support of the concept and creation of child death review teams was received from the Department of Human Services and the Hawaii Sudden Infant Death Syndrome (SIDS) Program, which opposed the bill and also favored the language of a similar measure pertaining to child death review.

Upon further consideration, your Committee has amended this bill, as suggested by DOH, DHS, and the Hawaii SIDS Program, by authorizing the DOH under Chapter 321, Hawaii Revised Statutes, to conduct multidisciplinary and multiagency reviews of child deaths in order to reduce the incidence of preventable child deaths.

This will enable the DOH to conduct child death reviews in order to gain a better understanding of the incidence and causes of child deaths and to develop methods for reducing the number of preventable child deaths.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 517, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 517, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 133 Health and Human Services and Housing on H.B. No. 635

The purpose of this bill is to establish certain minimum standards for the Hawaii health QUEST II program, which extends QUEST coverage to the aged, blind, and disabled populations.

Specifically, the bill requires that QUEST II provide: benefit counseling; a commitment to and a description of exceptional care coordination; creation and use of a definition of "medical necessary services"; creation of an ombudsman for the special needs population; a commitment to the principle that specialists may be used as primary care physicians for the special needs population; exclusion of disincentives to serve and incentives to underserve the QUEST II population; requiring health plans to have experienced specialists; requiring consumer representation on advisory panels for each health plan; quality assurance measures; assessment process prior to choice of plan; alternatives to managed care; and dental coverage and all services available under fee-for-service.

The State Planning Council on Developmental Disabilities, the Hawaii Medical Association, the Protection and Advocacy Agency of Hawaii, Advocates for Independent Living, Mental Health Association of Hawaii, the Hawaii chapter of the National Association of Social Workers, Oahu Alliance for the Mentally Ill, and the Healthcare Association of Hawaii testified in support of the bill. Although in support of the bill's intent, the Department of Human Services and Aloha Care opposed the bill on the basis that the bill is unnecessary. The Department testified that it is not necessary to legislatively establish minimum standards for QUEST II while Aloha Care maintained that the bill would duplicate existing services and increase costs while not necessarily providing for increased quality of care.

Your Committees find that it is necessary and appropriate to legislate certain safeguards for the QUEST II program. While problems that arose during the initial phase of QUEST are being addressed, those problems have not been entirely resolved. Your Committees find that it is proper for the the Legislature to set certain formal guidelines, in the form of minimum standards and requirements, to guide the Department of Human Services in implementing QUEST II. The need for statutory guidelines is especially obvious in light of the vulnerability and special needs of the aged, blind, and disabled populations that will be incorporated into QUEST II. Your Committees do not believe that these guidelines detract from the Department's flexibility in implementing QUEST II but offers concrete direction for optimal program implementation beyond mere assurances that these populations' needs will be met.

Your Committees have, therefore, amended this bill to strengthen its provisions and to incorporate and expand the concept of an ombudsman advocate as part of QUEST II. Specifically, your Committees amended this bill by:

- (1) Clarifying that the bill imposes minimum requirements as well as standards;
- (2) Clarifying that the Department of Human Services shall operate QUEST II under those minimum standards and requirements;
- (3) Adding plan selection to the services offered by the unit serving members;
- (4) Re-naming the term "medical necessary services" to "medically necessary services" and expanded the definition;
- (5) Permitting QUEST II participants to choose specialists as primary care physicians;
- (6) Clarifying language regarding incentives and disincentives to provide care;
- (7) Clarifying the inclusion in plans of experienced doctors;
- (8) Requiring consumer representatives on advisory panels to have direct contact with a plan's medical director in addition to the plan's administrator;
- (9) Clarifying language regarding assurance measures;
- (10) Clarifying that assessment is for clients;
- (11) Adding disclosure of procedures to follow to use alternative care;
- (12) Creating a new section 3 of the bill to provide for the ombudsman advocate;
- (13) Making the ombudsman advocate a part of the QUEST II program;
- (14) Making it clear that the ombudsman advocate is independent of both the Department of Human Services and the health care plans;
- (15) Making it clear that the ombudsman advocate is to act as a "patient's advocate";
- (16) Requiring the Department of Human Services to contract with an independent, nonprofit advocacy agency;

- (17) Requiring the health plans to fund the ombudsman advocate with an initial amount not to exceed an unspecified amount (on the understanding that the anticipated cost will be approximately \$1 per enrolled QUEST II patient and that the final figure is to be left to the Committee on Finance) prorated to each plan based on QUEST II enrollment and to contribute sufficient annual amounts thereafter to continue the ombudsman advocate's activities; and
- (18) Requiring the ombudsman advocate to begin services by August 31, 1997;

Your Committees have also made technical, non-substantive amendments for the purpose of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 635, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 635, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Stegmaier and Whalen.

SCRep. 134 Public Safety and Military Affairs on H.B. No. 946

The purpose of this bill is to require the Department of Public Safety and the Department of Education to develop a plan to convert underutilized Department of Education facilities into low security correctional facilities.

The Department of Public Safety submitted testimony in support of the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 946 and recommends that it pass Second Reading and be referred to the Committee on Education.

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

SCRep. 135 Public Safety and Military Affairs on H.B. No. 1372

The purpose of this bill is to appropriate funds to establish a Junior Reserve Officers Training Corps detachment from Hilo High School at Pahoa High and Intermediate School. The bill requires that the appropriation be matched on a dollar-for-dollar basis with moneys appropriated for the Junior Reserve Officers Training Corps program at Hilo High School.

The principal of Pahoa High and Intermediate School and a student at Pahoa High and Intermediate School submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1372 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 136 Public Safety and Military Affairs on H.B. No. 1908

The purpose of this bill is to appropriate funds to establish six full-time permanent positions in the Department of Education for the Junior Reserve Officers Training Corps program.

The Department of Education submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1908 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 137 Public Safety and Military Affairs on H.B. No. 2145

The purpose of this bill is to appropriate funds necessary to implement a program of regimental discipline.

The Department of Public Safety, and the Government Efficiency Teams, Inc. submitted testimony in support of the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2145 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 138 Human Services and Housing on H.B. No. 2001

The purpose of this bill is to statutorily establish the statewide preschool open doors early childhood education and child care program within the department of human services to include all children from birth to age five and to make the program available throughout the State.

Extensive written and oral, expert and non-expert testimony submitted by numerous parties including the Office of Hawaiian Affairs, the Democratic Party of Hawaii, the Waipahu United Church of Christ Preschool, the Department of Human Services, among several individual, but very concerned citizens, showed overwhelming support for this measure. The bill provides for affordable opportunities for quality early childhood education in the state and all parties were in unanimous agreement that this is a necessary and admirable goal to address. House Bill 2158 was also heard by the Committee at this same time, as the subject matter was virtually identical to HB2001.

There was lengthy discussion regarding which bill, either HB2001, or HB2158 was the more appropriate vehicle for pursuit of the subject at hand. Some parties were more in favor of the provisions of HB2001 over HB2158, and vice versa. A compromise was reached whereby HB2001 would be amended to include certain portions and language from HB2158.

Your Committee therefore, recommends that HB2001, Section 2., should be amended to read:

"Chapter 346, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"PART PRESCHOOL OPEN DOORS PROGRAM

§346- Definitions. As used in this part, unless the context requires otherwise:

"Parent" means a birth, adoptive, foster, or hanai parent.

"Preschool program" or "preschool" means any group child care center licensed by the State or by the various service branches of the armed forces of the United States to provide care and to promote the development of children ages 6 months through five years.

"Program" means the preschool open doors program.

§346- Preschool open doors program; establishment; purpose; rules.

(a) There is established the preschool open doors program. The purpose of the program shall be to promote access to quality early childhood education and care for young children in the general population up to five years of age. The program shall plan, develop, and coordinate services for said children from birth to age five for statewide early childhood education and child care activities and programs. The program shall also include tuition waivers up to per month for each eligible child attending a licensed preschool program of the parents' choice.

(b) The program shall be made available statewide and children from birth to age five shall be eligible to participate in the program according to rules established by the department of human services in accordance with chapter 91 to carry out the purpose of this section.

§346- Tuition assistance; parent education workshops; other services. The program shall:

- (1) Provide tuition assistance payments based on the gross income and size of eligible families;
- (2) Provide parent education workshops to assist families in choosing a preschool program; and

(3) Provide information, counseling, and referral services to assist eligible parents in choosing and registering their children in preschool programs.

§346- Eligibility requirements.

(a) Tuition assistance payments, parent workshops, and referral services shall be available to parents and their children who meet the residence, income, and age requirements established by this part and rules adopted pursuant to this part.

(b) The incomes of families shall fall within the ranges determined by rules adopted by the director.

(c) Eligibility requirements shall be as follows:

- (1) The child shall not be less than six months of age, but not more than five years of age;
- (2) The child shall reside with a parent;
- (3) The child shall be able to be enrolled in a preschool program for at least two months; and
- (4) The child shall not be eligible to attend public school or kindergarten.

(d) The director may make eligibility exceptions to promote the growth and development of any child under five years of age.

§346- Program components. The components of the program may include, but shall not be limited to, the following:

- (1) Staff development services to preschool programs; and
- (2) Parent and consumer education so parents can make informed choices about preschool.

§346- Coordination. The department shall coordinate the program with other community programs that provide early childhood education and care.

§346- Contracts. The department may contract with a public agency or private organization to promote the services authorized under this part."

Your Committee further recommends that Section 3., of the bill should be amended to read:

"To provide for continuity in the preschool open doors program, the incumbent position holders of early childhood education planner IV, and early childhood education child care specialist II, are given permanent civil service status within the meaning of chapters 76 and 77, without the necessity of examination, without any reduction in position or pay, and without any loss of seniority, prior service credit, vacation and sick leave credits earned, or any benefits accorded a civil service employee."

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2001, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2001, HD 1, and be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 139 Tourism on H.B. No. 258

The purpose of this bill is to separate the convention center capital and operations special fund into two funds, one for capital expenses and the other for operational costs.

Your Committee received testimony as follows:

1. Hawaii Hotel Association, in support; and
2. Department of Budget and Finance, and Convention Center Authority, in comment.

Your Committee finds that the use of the convention center capital and operations special fund as the depository of moneys for debt service as well as for operating the center potentially allows the expenditure of funds designated for other uses. Accountability to the public will be better served by the separation of the special fund into two funds.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 258 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 140 Tourism on H.B. No. 109

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for tourism promotion and marketing.

Your Committee received testimony as follows:

1. Hawaii Visitors and Convention Bureau, Hawaiian Airlines, Aloha Airlines, Hawaii Hotel Association, Hawaii Business Roundtable, Cove Marketing Enterprises, International Longshoremen's and Warehousemen's Union Local 142, one private individual, and ITT Sheraton Hotels, in support; and
2. Department of Business, Economic Development and Tourism, in comment.

Your Committee finds that the visitor industry is Hawaii's best hope for reviving its struggling economy. Furthermore, many of Hawaii's travel competitors are less dependent on tourism but still spend far greater sums of money, in both proportional and absolute terms.

During this time of intensifying competition, with other destinations spending heavily to expand their presence in new markets, Hawaii's dependence on a small number of visitor markets threatens the health of its economy. The current level of funding does not allow for developing the desperately needed new visitor markets. Only a significant increase in funding levels for promotion and marketing will have any hope of generating additional travel business and sparking an economic recovery.

The fiscal constraints facing the state, however, require that the financial burden be shared with the private sector. Your Committee strongly believes that those who benefit from tourism should also contribute funds to the tourism promotion effort.

Your Committee revised the bill by:

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

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 109, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 141 Tourism on H.B. No. 668

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for the production of a video to be shown on interisland and international flights to give visitors precautions on crime.

Your Committee received testimony as follows:

1. Honolulu Police Department, and Hawaii Hotel Association, in support; and
2. Department of Business, Economic Development and Tourism, Hawaii Visitors Bureau, and a private individual, in comment.

Your Committee finds that the tendency for criminals to target visitors may give Hawaii an unfavorable reputation as an unsafe travel destination and cause adverse effects in our economy. Greater awareness on the part of visitors could help them avoid potentially dangerous situations and reduce the likelihood of a significant drop in travel to Hawaii caused by potential visitors' fear of crime.

Your Committee revised the bill by:

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

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 668, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 668, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 142 Tourism on H.B. No. 1703

The purpose of this bill is to appropriate \$10,000,000 to the Department of Business, Economic Development, and Tourism for emergency tourism marketing campaigns in the rest of the United States and Japan for fiscal year 1996 to 1997. This bill has been recommended by the governor for immediate passage.

Your Committee received testimony in support of this bill from Department of Business, Economic Development and Tourism, Hawaii Visitors Bureau, Hawaii Hotel Association, Maui Visitors Bureau, Maui Hotel Association, Hawaiian Airlines, Waikale Center, Retail Merchants of Hawaii, Hawaii Business Roundtable, Hawaii Activities and Tours Association, Poipu Beach Resort Association, Outrigger Enterprises, International Longshoremen's and Warehousemen's Union Local 142, and Aloha Airlines.

Your Committee finds that the continued economic stagnation in our primary visitor markets, greater promotion by our competitors and early signs of a downward trend in our visitor arrivals, have resulted in a tremendous need for an immediate, concentrated effort before Hawaii's economy receives any further damage.

A weakened yen relative to the U.S. dollar, a slower Japan stock market, increased taxes, greater value consciousness by consumers and heavier promotion by other destinations have eroded Hawaii's position in Japan. At the same time, Hawaii's reduced media presence, heavier promotion by competitors and greater consumer awareness of other destinations such as cruise ships, Mexico, Caribbean, Disney and Las Vegas have flattened our visitor arrivals from the western United States.

Without the proposed emergency appropriation, Hawaii's economy has little chance of improving and may slip into another decline.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1703, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

SCRep. 143 Tourism on H.B. No. 751

The purpose of this bill is to require corporate time share developers to notify their time share owners and associations if the stock price falls by 10 percent or more, and to make time shares subject to the transient accommodations tax.

Your Committee received testimony as follows:

1. One individual member of the Maui County Council; International Longshoremen's and Warehousemen's Union Local 142, in support;
2. American Resort Developers Association; Bay Club Waikoloa Beach Resort; Dwyer, Imanaka, Schraff, Kudo, Meyer and Fujimoto; Hilton Grand Vacations Company; Kona Coast Resort Phase II Interval Association; one private individual; in opposition, and
3. Department of Commerce and Consumer Affairs; Department of Taxation; Tax Foundation of Hawaii, in comment.

Your Committee finds that information on the stock price of a corporation that serves as the developer of a time share will help owners and prospective owners of time share units. Providing this by way of the disclosure statement will be less burdensome than written notice to the owner of each unit at every instance of a 10 percent drop in the stock price.

The transient accommodations tax already applies to units occupied by a non-owner, but the bill does not provide a means for calculating the value of the gross rental on an owner-occupied unit.

Your Committee revised the bill by:

1. Removing the requirement of written notification to the time share owners and association by a corporate developer of timeshares when its stock price falls by 10 percent;
2. Adding a requirement that the disclosure statement include a statement that the stock value of the corporation is available upon request;
3. Removing the provision applying the transient accommodations tax to time shares; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 751, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative McDermott.

SCRep. 144 Transportation on H.B. No. 1757

The purpose of this bill, as referred to your Committee on Transportation, is to amend the law relating to concessions on public property.

Your Committee finds that the privilege of operating a parking lot on property owned or controlled by the State is not included in the law relating to concessions on public property. Your Committee further finds such parking lots to be desirable, and that an amendment to Section 102-1, Hawaii Revised Statutes, is required to permit parking lot concessions.

Testimony in favor of this bill was heard from the Department of Transportation.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1757, HD 1, and be referred to the Committee on Finance.

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

SCRep. 145 Transportation on H.B. No. 1833

The purpose of this bill, as referred to your Committee on Transportation, is to clarify ambiguities in the law relating to payment of parking fees by qualified persons with disabilities.

Your Committee finds that Section 290-55, Hawaii Revised Statutes (HRS), was intended to permit qualified persons with disabilities to park in metered spaces without paying, since meters are inaccessible to most persons with disabilities. Your Committee further finds that the current law provides an exception for payment of metered fees for both metered and unmetered spaces. Since there are no meters for unmetered spaces, this reference is not needed. Your Committee further finds that the intent of the law was to require handicapped persons to pay fees if they were being collected other than by meters.

This bill proposes to amend Section 291-55, HRS, by removing reference to unmetered spaces in subsection (b), and to emphasize that applicable parking fees in unmetered lots remain in effect.

Testimonies in support of this bill were heard from the Department of Transportation and the Commission on Persons with Disabilities.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1833 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 146 Health on H.B. No. 627

The purpose of this bill is to expand the definition of "gravely disabled" relating to persons suffering mental disorders for purposes of involuntary commitment.

Supportive testimony was submitted by the Oahu Alliance for the Mentally Ill, the Mental Health Association in Hawaii, and a concerned individual. One concerned individual submitted testimony in support of this measure and provided comments. The Department of Health submitted comments and recommendations, while the Judiciary submitted only comments. The Protection and Advocacy Agency submitted testimony in opposition of this measure.

Your Committee has amended this measure by:

- (1) Establishing within the Department of Health an Interdisciplinary Task Force to:
 - (A) Analyze the issues involved in facilitating medical treatment to "gravely disabled" patients;
 - (B) Study any constitutional problems of redefining "gravely disabled" persons as it relates to involuntary hospitalization;
 - (C) Recommend how "gravely disabled" persons will be serviced to avoid constitutional problems;
 - (D) Present a proposal for statutory changes regarding redefining "gravely disabled" persons; and
 - (E) Report its findings and recommendations, through proposed legislation, to the Regular Session of 1999; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 627, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 627, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 147 Health on H.B. No. 631

The purpose of this bill is to allow a designated individual to make and communicate health care decisions for a person who:

- (1) Previously had the ability, but no longer has the ability to understand the significant benefits, risks, and alternatives to proposed health care;
- (2) Resides in an acute, skilled nursing, or intermediate care facility; and
- (3) Has not executed a health care directive for health care decisions.

Your Committee notes that this bill ensures that the health and medical needs of such persons who are incapacitated are taken cared of. Your Committee believes that this bill will allow families and designated persons to consult with physicians and make necessary health care decisions on behalf of their incapacitated loved ones.

Your Committee received testimony in support of the bill from the Hawaii Long Term Care Association, the Hawaii Medical Association, the Healthcare Association of Hawaii, the Society for Social Work Administrators in Health Care, the Hawaii Nurses Association, and a concerned individual. Your Committee received testimony in support of the intent of the bill from the Department of Human Services and the Guardianship Task Force.

Comments were submitted by the Executive Office on Aging, the Oahu Alliance for the Mentally Ill, Hawaii Right to Life, and several individuals. Testimony in opposition to this bill was received from the Protection and Advocacy Agency of Hawaii, Hawaii Right to Life, Kamuela Chapter, and several individuals.

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

- (1) Clarifying that the purpose of this measure is to create a two-year Demonstration Project to protect the health and safety of individuals who do not have decision making capacity;
- (2) Deleting any reference to "orders to resuscitate and decisions to provide, withhold, or withdraw artificial nutrition and hydration";
- (3) Deleting references to "living will";
- (4) Deleting the definition of "decisionally incapacitated person";

- (5) Deleting any reference to "acute" care facilities;
- (6) Specifying that no surrogate shall order a "physician-assisted suicide" for the incapacitated person;
- (7) Establishing a Surrogate Decision Making Committee to study whether individuals received care in a timely fashion and whether the care was received in the best interest of the individuals; and
- (8) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 631, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 631, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Stegmaier and Whalen.

SCRep. 148 Higher Education on H.B. No. 879

The purpose of this bill is to prohibit unaccredited institutions from issuing:

- (1) A juris doctor, master of law, or any equivalent or comparable degree; and
- (2) A bachelor of arts or science, master of arts or science, doctorate, or any other equivalent or comparable degree.

The University of Phoenix submitted testimony in strong support of this measure. The Department of Commerce and Consumer Affairs submitted testimony in support of the intent of this measure. Comments were submitted by the University of the Nations. Testimony in opposition to this measure was submitted by Greenwich University.

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

- (1) Removing the prohibition that no unaccredited institutions can issue a bachelor of arts, bachelor of science, master of arts, master of science, doctorate, or any equivalent or comparable degree;
- (2) Providing that unaccredited institutions are prohibited from issuing doctor of medicine (M.D.) degrees or any equivalent or comparable degrees; 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 that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 879, HD 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

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

SCRep. 149 Higher Education on H.B. No. 884

The purpose of this bill is to repeal the registration and prohibited practices provisions for unaccredited institutions.

Supportive testimony was submitted by the University of Hawaii Professional Assembly. The University of Hawaii, the Department of Commerce and Consumer Affairs, the University of the Nations, and Greenwich University submitted comments on this measure.

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

- (1) Deleting Section 2, which repeals the statutory prohibition against using registration to suggest that the State licenses, approves, or regulates the operation of the institution. This statute is amended in another bill, H.B. No. 879, which your Committee has approved; 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 884, HD 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representatives Stegmaier, Tarnas and Yonamine.

SCRep. 150 Higher Education on H.B. No. 1860

The purpose of this bill is to require that any degree-granting institution be accredited by an agency or organization approved or recognized by the United States Department of Education.

Greenwich University commented on the measure.

Your Committee finds that Hawaii's laws governing unaccredited degree-granting institutions have resulted in a proliferation of these schools in this state. Other states have tightened their laws governing these institutions.

Your Committee also finds that currently, there are no minimum standards for the issuance of a degree. This bill would protect individuals seeking a quality education by requiring institutions that issue degrees to be accredited by an agency or organization approved or recognized by the United States Department of Education.

Your Committee has amended the bill by:

- (1) Exempting institutions from the accreditation requirements if the institution has at least one employee within the state by January 1, 1997, and applied for an exemption by July 1, 1997;
- (2) Changing the effective date to take effect on July 1, 1997, and be repealed on June 30, 1999; 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1860, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1860, HD 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

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

SCRep. 151 Education on H.B. No. 115

The purpose of this bill is to divert first-time offenders from the formal juvenile justice system by appropriating funds for the continuation of the pilot Teen Court Program (Program) and authorizing the Superintendent of Education to designate the schools which will participate in the Program.

The Judiciary, the Office of Youth Services, the City and County of Honolulu's Department of the Prosecuting Attorney and Police Department, the Hawaii State Teachers Association, and the Hawaii State PTSA testified in support of this bill. The Department of Education also supported this bill, provided that the appropriation supplements the Board of Education's budget priorities.

Your Committee finds that since the Program began in May, 1996, eleven schools have become involved, and plans are in place to expand to fifteen schools during the upcoming school year. More importantly, the Program has achieved a 7.9 percent recidivism rate which is lower than the national average of between 10-20 percent.

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

- (1) Revising the statement of findings and purpose;
- (2) Expanding the Program statewide;
- (3) Requiring an annual report rather than a single report;
- (4) Deleting the Superintendent's authority to designate the schools that will participate in the Program;
- (5) Repealing this Act on July 1, 2002; and
- (6) Correcting certain technical and stylistic errors.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 115, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 152 Education on H.B. No. 1113

The purpose of this bill is to improve the Department of Education's (DOE) safety and accident prevention program by establishing and funding a permanent safety office within the DOE.

Supportive testimony was submitted by the DOE.

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

- (1) Changing the safety office from a permanent agency to demonstration status;
- (2) Adding a claims management component to encourage employees to return to work as quickly as possible and to obtain appropriate and timely treatment for their injuries;
- (3) Specifying that assisting schools with regard to student accidents and injuries includes those associated with athletics;
- (4) Requiring the DOE to submit annual reports of its findings and recommendations to the Legislature, including amounts expended for workers' compensation benefits; and

- (5) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1113, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1113, HD 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee.

SCRep. 153 Education on H.B. No. 1709

The purpose of this bill is to enable the Hawaii Teachers Standards Board (Board), through the Department of Education, to collect licensing or credentialing fees by mandatory payroll deductions.

Your Committee heard testimony from the Board and the Hawaii State Teachers Association in support of this measure.

Your Committee finds from the testimony presented that this bill will improve the Board's ability to provide for its operations and to project a consistent revenue base from which to plan and budget.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1709 and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

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

SCRep. 154 Education on H.B. No. 1929

The purpose of this bill is to improve school bus safety.

The Department of Education, the Department of Accounting and General Services, the Hawaii Congress of Parents, Teachers, and Students, the Kauai Police Department, a Kauai County councilmember, and two members of Parents for School Bus Safety submitted testimony in support of the intent of this bill

Your Committee has amended this bill by:

- (1) Changing the application of this bill from Kauai County to a statewide basis;
- (2) Inserting the sum of \$1 to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of consistency and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1929, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1929, HD 1, and be referred to the Committee on Finance.

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

SCRep. 155 Hawaiian Affairs on H.B. No. 1104

The purpose of this bill is to formally reauthorize the Hui 'Imi Task Force by:

- (1) Establishing it as the Hui 'Imi Advisory Council (Advisory Council); and
- (2) Placing it within the Department of Accounting and General Services for administrative purposes only.

Supporting testimony was submitted by the Kamehameha Schools/Bernice Pauahi Bishop Estate, two members of the Hui 'Imi Task Force, the Association of Hawaiian Civic Clubs, the Oahu Council of the Association of Hawaiian Civic Clubs, the Department of Accounting and General Services, and ALU LIKE, Inc. The Department of Hawaiian Home Lands submitted testimony in support of the intent of this measure. Ka Lahui Hawaii submitted comments on this measure.

Your Committee recognizes the contributions of the Hui 'Imi Task Force on issues of concern to Hawaiians and believes that a reauthorized entity would greatly assist in fostering communication and advising the Governor, Legislature, and other public and private organizations on a variety of social, economic, and cultural issues affecting the Hawaiian community. In the spirit of collaboration for the achievement of common goals to better serve the Hawaiian community, your Committee also believes that it is essential to encourage participation in the Advisory Council from a variety of organizations.

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

- (1) Stating that the Legislature finds that the work of a successor entity to the Hui 'Imi Task Force is and will continue to be invaluable to continue full communication among the public and private sectors on issues of concern to Hawaiians;
- (2) Providing that the Advisory Council may include any other agency, organization, or entity that expresses interest to participate in fulfilling the advisory council's mandate;

- (3) Requiring the Advisory Council to make a good faith effort to include as members other public and private agencies, organizations, or entities that express interest in fulfilling the Advisory Council's mandate;
- (4) Requiring the Advisory Council to also advise the Governor, Legislature, and the public and private agencies on other issues affecting Hawaiians;
- (5) Requiring the Advisory Council to submit bi-annual reports regarding the action plan no later than twenty days prior to the convening of the Regular Sessions of 1999, 2001, and 2003;
- (6) Changing the sunset date of the Advisory Council to June 30, 2004; and
- (7) 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 that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1104, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 156 Transportation on H.B. No. 1760

The purpose of this bill is to repeal the obsolete laws contained in Chapter 286A, Hawaii Revised Statutes, relating to the Vehicle Safety Equipment Compact.

The Vehicle Safety Equipment Compact (Compact) established a Vehicle Equipment Safety Commission (Commission) to promote uniformity in state regulation of and standards for vehicle equipment. Your Committee finds that the Compact is no longer in existence and the Commission was disbanded in 1984.

Testimony in favor of this bill was heard from the Department of Transportation.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1760 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 and Yonamine.

SCRep. 157 Judiciary on H.B. No. 762

The purpose of this bill is to amend section 708-814, Hawaii Revised Statutes, by providing, that the phrase "reasonable warning or request," means "one communicated orally or in writing at any time within a one-year period prior to the date the incident occurred."

Your Committee received testimony in support of this measure from the Honolulu Police Department, the Department of the Prosecuting Attorney, City and County of Honolulu, the Office of the Prosecuting Attorney, County of Hawaii, and the Hawaii Island Chamber of Commerce.

Your Committee finds that the current law requires a warning or request to leave contemporaneous with a person entering or remaining unlawfully on a premises. Thus, if a store owner caught a shoplifter and warned the shoplifter not to come back to the store, the store owner could not have the shoplifter arrested when the shoplifter returned to the store without giving the shoplifter a second warning and the shoplifter refusing to leave after the second warning. The shoplifter can return to the premises immediately after leaving or any time thereafter with impunity. The lack of a specific time for the effect of the warning or request to leave made the current law impractical to enforce.

The amendment made in this bill is necessary to insure the effective enforcement of the trespass statute on commercial premises, by specifying a time certain for the effect of a warning or request to leave.

Your Committee has amended the bill by:

- (1) Substituting the phrase "inclusive of," for the words "prior to," in the text of the amendment to eliminate an incongruity with regard to the application of the section; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 762, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 762, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 158 Judiciary on H.B. No. 463

The purpose of this bill is to require that only upon a written request made by a person charged with an ethics violation is the State Ethics Commission (Commission) mandated to make a finding as to whether the charge was frivolous when the Commission has decided not to issue a complaint in response to the charge.

The Commission and Common Cause Hawaii testified in support of the bill. The League of Women Voters of Hawaii supported the intent of the measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 463 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 Hiraki and Menor.

SCRep. 159 Higher Education on H.B. No. 248

The purpose of this bill is to effectuate its title.

H.B. No. 248 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the action to report out H.B. No. 248, as amended herein, and recommends that it be recommitted to the Committee on Higher Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 248, HD 1.

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

SCRep. 160 Higher Education on H.B. No. 1904

The purpose of this bill is to effectuate its title.

H.B. No. 1904 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1904, as amended herein, and recommends that it be recommitted to the Committee on Higher Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1904, HD1.

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

SCRep. 161 Labor and Public Employment on H.B. No. 1555

The purpose of this bill relates to state government organization.

H.B. No. 1555 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended this bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1555, as amended herein, and recommends that it be recommitted to the Committee on Labor and Public Employment, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1555, HD 1.

Signed by all members of the Committee except Representative Yamane.

SCRep. 162 Education on H.B. No. 2068

The purpose of this bill is to support education.

H.B. No. 2068 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the action to report out H.B. No. 2068, as amended herein, and recommends that it be recommitted to the Committee on Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2068, HD 1.

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

SCRep. 163 Education on H.B. No. 1433

The purpose of this bill, as received by your Committee, is to promote education.

H.B. No. 1433 was introduced as a short-form bill, sometimes referred to as a "vehicle" bill. Short-form bills contain only a general idea as to the purpose of the bill and do not provide specifics as to manner in which it is to be accomplished.

This measure has been amended to include the substantive contents of the bill in long form so that a public hearing may be held on its merits. The amended bill proposes to appropriate funds establishing a community-based youth leadership demonstration project for the Hilo-Hamakua-Kohala region of the island of Hawaii.

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 action to report out H.B. No. 1433, as amended herein, and recommends that it be recommitted to the Committee on Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1433, HD 1.

Signed by all members of the Committee except Representatives Arakaki, Morihara and Tarnas.

SCRep. 164 Education on H.B. No. 2069

The purpose of this bill is to support education.

H.B. No. 2069 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the action to report out H.B. No. 2069, as amended herein, and recommends that it be recommitted to the Committee on Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. 2069, HD 1.

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

SCRep. 165 Economic Development and Business Concerns on H.B. No. 1101

The purpose of this bill is to authorize the planning commission of any county with a population of 100,000 or less, which has suffered a natural disaster qualifying the county for federal disaster relief, to:

- (1) Permit the establishment of bed and breakfast operations on lands designated for agricultural uses; and
- (2) Grant retroactive approvals to all bed and breakfast operations operating on lands designated for agricultural uses prior to the effective date of this bill.

Specifically, this bill would authorize the Kauai Planning Commission to permit the establishment of bed and breakfast operations on lands designated as agricultural lands for a ten-year period.

Your Committee finds that allowing bed and breakfast operations on agricultural lands will:

- (1) Provide a much-needed boost to Kauai's lagging economy, caused by the devastating effects of Hurricane Iniki; and
- (2) Fill the deficit in the number of rooms available to visitors on the island in light of the reconstruction and renovation of several major hotels on Kauai.

The Office of Planning of the Department of Business, Economic Development, and Tourism and the Department of Health submitted testimony in support of the bill with recommendations. Supporting testimony was also submitted by Hanalei Sea Tours, Kayak Kauai Outbound, Hawaiian Vacation Retreats, Safari Helicopters, Princeville Ranch Stables, Sunscapes Travel, Inc., Casa di Amici Ristorante, Island Weddings, Kuono Farms, Bali Hai Realty, and several individuals. Comments were submitted by the Kauai County Council and an individual.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1101 and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee.

SCRep. 166 Human Services and Housing on H.B. No. 2157

The purpose of this bill is to allocate general revenues to fund capital improvements for State housing facilities.

The Hawaii Housing Authority presented oral testimony in support of this measure. Two members of the American Association of Retired Persons submitted testimony in support of this measure and provided suggestions. The Department of Education submitted testimony in support of efforts to properly abate lead-based paint in teacher housing throughout the State.

Your Committee has amended this bill by:

- (1) Clarifying that the funds for the plan, design, and construction of housing units for the elderly, individuals with special needs, and individuals with low or very low income will be expended by the Rental Housing Trust Fund of the Housing Finance and Development Corporation; and
- (2) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2157, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 167 Legislative Management on H.B. No. 146

The purpose of this bill is to appropriate funds necessary to implement the establishment of the Office of the Legislative Analyst.

The Office of the Legislative Analyst was statutorily created by Act 347, Session Laws of Hawaii 1990; however, the office has yet to be implemented because of lack of funding. Your Committee finds that the implementation of this office would be in the best interest of the people of Hawaii because it would enable the Legislature to fulfill its responsibility of ensuring that approved appropriations are executed in compliance with legislative policy.

Common Cause of Hawaii testified in support of this measure.

Although this bill currently appropriates a nominal sum for discussion purposes, your Committee would like to note that the establishment of the Office of the Legislative Analyst will require approximately \$500,000 for the first year of operation. This sum would be necessary for the salaries of the Legislative Analyst, four professional staff, and two clerical staff, as well as for equipment and other operational expenses.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 146 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives P. Oshiro, Garcia and Ward.

SCRep. 168 Legislative Management on H.B. No. 460

The purpose of this bill is to extend the period for the State Ethics Commission to maintain the financial disclosure statements of legislators, employees, or delegates to a Constitutional Convention from three to six years after the expiration of the individual's term of office.

The law now requires the State Ethics Commission to maintain the financial disclosure statements during the filer's term of office and for three years after the expiration of the filer's term of office. The three-year period was specified because it corresponded with the three-year statute of limitation period for ethics violations. However, this period was increased from three to six years in 1995.

Financial disclosure statements can now be the subject of an ethics charge for up to six years after their filing. These statements may also relate to other violations of the State Ethics Code. The ability of the State Ethics Commission to initiate and proceed with charges under the new six-year statute of limitations would be frustrated if the State Ethics Commission is required to dispose of financial disclosure statements after only three years.

For these reasons, financial disclosure statements should be retained for six years after a filer has left office. Your Committee finds that this measure is necessary to ensure conformity with the six-year statute of limitations.

The Hawaii State Ethics Commission and Common Cause of Hawaii submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 460 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 169 Legislative Management on H.B. No. 827

The purpose of this bill is to add the function of outcome analysis as one of the responsibilities of the Office of the Legislative Analyst.

This bill would require the Office of the Legislative Analyst to assist legislators in determining whether funds appropriated to various program areas are:

- (1) Effectively achieving the desired outcomes that the funds were meant to impact; and

- (2) Meeting specific time lines established in connection with achieving these outcomes by collecting, maintaining, and analyzing outcomes, benchmarks, and indicators associated with each program area.

Your Committee finds that upon implementation of the Office of Legislative Analyst, requiring this office to consider outcome analysis will enable the Legislature to determine whether programs are achieving desired results.

Common Cause of Hawaii testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 827 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives P. Oshiro, Garcia and Ward.

SCRep. 170 Health and Human Services and Housing on H.B. No. 1829

The purpose of this bill is to:

- (1) Create two special funds within the Department of Health (DOH):
 - (A) The Spouse and Child Abuse Special Fund; and
 - (B) The Vital Statistics Improvement Special Fund;
- (2) Establish a fee schedule for certified copies of certificates issued by the DOH; and
- (3) Provide for the distribution of the proceeds to specified agencies working in the treatment and prevention of child abuse/neglect and domestic violence.

Your Committees find from testimony presented that the creation of the two special funds within the DOH will enable the DOH to provide funding to address the domestic violence issues in our communities in a timely manner.

Your Committees further find that the fee schedule established in this measure will provide the mechanism to issue the various vital statistic documents issued by the DOH more efficiently, thus providing better service to the general public.

Your Committees have amended this bill by:

- (1) Changing the name of the "Spouse and Child Abuse Special Fund" to the "Domestic Violence Special Fund" as there is already an existing child neglect prevention special fund known as the Hawaii Children's Trust Fund;
- (2) Adding the Hawaii Children's Trust Fund as an additional beneficiary of the proceeds of the fees collected from the issuance of vital statistics documents; and
- (3) Making technical, nonsubstantive revisions for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1829, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1829, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees.
(Representative Whalen voted no.)

SCRep. 171 Health on H.B. No. 737

The purpose of this bill is to support the partnership between the Hamakua health center and the Hamakua long term care facility and to appropriate \$185,000 for fiscal year 1997-1998 and \$185,000 for fiscal year 1988-1999 for urgent care for the Hamakua area of the Big Island.

Testimonies in support of this bill were heard from the Department of Health, Hawaii State Primary Care Association, Hamakua Health Center, Honokaa Hospital, Hamakua District Development Council, and Hawaii County Council.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 737 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 172 Health on H.B. No. 1840

The purpose of this bill is to provide an emergency appropriation of \$21 million for fiscal year 1996-1997 to prevent the reduction or discontinuance of the services of the community hospitals system.

Testimonies in support of this bill were heard from the Hawaii Health Systems Corporation, Healthcare Association of Hawaii, Hawaii Government Employees Association, and an individual.

In addition to the requested emergency appropriation, testimony from the Hawaii Health Systems Corporation has requested an appropriation of \$15.5 million for fiscal year 1997-1998 and \$10.5 million for fiscal year 1998-1999.

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

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

SCRep. 173 Tourism on H.B. No. 175

The purpose of this bill is to impose a mandatory imprisonment sentence for anyone convicted of certain serious crimes against a non-resident.

Your Committee received testimony as follows:

1. Hawaii Hotel Association, and Waikiki Improvement Association, in support; and
2. Department of Business, Economic Development and Tourism, in comment.

Your Committee finds that increasing crime rates threaten the viability of our visitor industry, the keystone to our economy.

In selecting victims, many criminals specifically target visitors because they know that the victims are less likely to report the incident to the police, less likely to return to testify and usually carry large amounts of cash. Mandatory sentencing to longer prison terms will help to reverse this dangerous trend.

Although some testimony raised the issue of equality, this proposal will put more criminals behind bars, making the streets safer for both visitors **and** residents.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 175 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 174 Tourism on H.B. No. 176

The purpose of this bill is to require a prison sentence for anyone convicted of a crime against a non-resident.

Your Committee received testimony as follows:

1. Honolulu Police Department, Hawaii Hotel Association, Waikiki Improvement Association, and one private individual, in support; and
2. Department of Business, Economic Development and Tourism, Honolulu Japanese Chamber of Commerce, in comment.

Your Committee finds that increasing crime rates threaten the viability of our visitor industry, the keystone to our economy.

In selecting victims, many criminals specifically target visitors because they know that the victims are less likely to report the incident to the police, less likely to return to testify and usually carry large amounts of cash. Mandatory imprisonment for those convicted of crimes against non-residents will help to discourage victimization of visitors.

Although some testimony raised the issue of equality, this proposal will put more criminals behind bars, making the streets safer for both visitors **and** residents.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 176 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 175 Tourism on H.B. No. 664

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for the NFL Pro Bowl.

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

Your Committee finds that the recently completed 1997 NFL Pro Bowl demonstrated the value of large-scale, high-profile sporting events in Hawaii, resulting in enormous amounts of publicity across the country during one of the coldest times of the year, bringing in large numbers of visitors to attend the game, and generating a myriad of associated activities across the state.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 664 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative White.

SCRep. 176 Tourism on H.B. No. 1958

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for sports tourism development, promotion, and marketing by Hawaii Pacific Sports Incorporated.

Your Committee received testimony as follows:

1. Hawaii Hotel Association, Hawaii Pacific Sports Inc., Hawaii Sports Inc., in support; and
2. Department of Business, Economic Development, and Tourism, in comment.

Your Committee finds that Hawaii Pacific Sports Inc. has played an instrumental role in negotiations with the United States Olympic Committee as the location for the Olympic processing camp and related activities preceding and following the Summer Olympics in Australia in the year 2000. Plans are already underway for having Hawaii as the possible site for the official welcome ceremonies for the returning U.S. athletes, which may include a parade down Kalakaua Avenue and a reception with the President of the United States. If Hawaii is selected as the site, these events will also encourage other major sporting events to bring their games to Hawaii and will generate tremendous favorable publicity.

Your Committee revised the bill by:

1. Changing the appropriation amounts to \$1 for the purpose of continuing discussion of the bill;
2. Adding appropriations of \$1 for each fiscal year for sports tourism development, promotion and marketing activities by Hawaii Sports Inc., Big Island Marathon, Royal Hawaiian Rowing Challenge and other events;
3. Providing that all state moneys must be matched by contributions from private sources in a ratio of 3 to 1, private to state; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1958, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1958, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative White.

SCRep. 177 Tourism on H.B. No. 2209

The purpose of this bill is to establish a transient occupancy tax on timeshare users who do not pay the transient accommodations tax.

Your Committee received testimony as follows:

1. Office of the Mayor of the County of Maui; an individual member of the Maui County Council; Maui Hotel Association; International Longshoremen's and Warehousemen's Union Local 142; Hawaii Hotel Association; Activity Owners Association; and one private individual; in support,
2. American Resort Development Association; Imperial of Waikiki; Bay Club Waikoloa Beach Resort; Consolidated Resorts; KPMG Peat Marwick; Dwyer, Imanaka, Schraff, Kudo, Meyer and Fujimoto; Marriott Ownership Resorts; Kona Coast Resort Phase II Interval Association; Owners' Resorts and Exchange; and two private individuals; in opposition, and
3. Department of Taxation; Tax Foundation of Hawaii; in comment.

Your Committee finds that timeshare owners have many of the attributes of hotel guests, but most of them do not pay the transient accommodations tax. The establishment of a transient occupancy tax on timeshare units will help to equalize the financial burden of tourism promotion and maintenance of infrastructure.

Your Committee believes that the concept deserves further discussion, but has concerns about the constitutionality of the proposed transient occupancy tax and has submitted a request for an opinion by the Attorney General, which should be available to the next committee.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2209, 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 McDermott.

SCRep. 178 Agriculture on H.B. No. 760

The purpose of this bill is to authorize the Board of Agriculture (BOA) to acquire, administer, improve, and maintain the Lower Hamakua Ditch by:

- (1) Issuing revenue bonds to finance the cost of acquiring, administering, improving, and maintaining the Ditch;
- (2) Setting, adjusting, collecting, and assessing fees to furnish water and water service; and
- (3) Administering the Lower Hamakua Ditch Revolving Fund.

Your Committee recognizes that state ownership of the Lower Hamakua Ditch is necessary to ensure that this valuable water resource is for the public benefit and the public interest.

Your Committee received testimony in support of the bill from the Hamakua/North Hilo County Farm Bureau and the Hamakua/North Hilo Agricultural Cooperative. Testimony in support of the bill was received from the Department of Agriculture.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 760 and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representative Herkes.

SCRep. 179 Agriculture on H.B. No. 1331

The purpose of this bill is to appropriate funds for the Exotic Insect Pest Committee to administer, coordinate, and research the development and implementation of post-harvest treatment technologies and procedures.

Your Committee notes that such research would make it possible for Hawaii agricultural products, which are currently barred by quarantine, to be exported to the U.S. mainland and throughout the world.

Your Committee received testimony in support of the bill from the Exotic Insect Pest Committee and the Pineapple Growers Association of Hawaii. The Department of Agriculture (DOA) submitted testimony indicating its support for the bill as long as the bill's passage does not affect the DOA's budgetary priorities.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1331 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

SCRep. 180 Agriculture on H.B. No. 1581

The purpose of this bill is to appropriate additional moneys from:

- (1) The Agricultural Park Special Fund to select and engage consultants to develop plans and specifications to do cleanup and repair work at Waianae Agricultural Park and the Waimanalo Irrigation System; and
- (2) The Irrigation System Revolving Fund to select and engage consultants to develop plans and specifications for the cleanup and repair of Kekaha Agricultural Park Irrigation System.

Your Committee notes that a critical funding emergency exists as funds are needed for cleanup and repair to Waianae Agricultural Park and the Waimanalo Irrigation System, which sustained damage during the heavy rains and flooding in November 1996. Additional funds are also necessary to operate and maintain the newly-opened Kekaha Agricultural Park, which was also affected by the heavy rains and flooding.

The Department of Agriculture (DOA) submitted testimony indicating its support of the intent of the bill as long as the bill's passage does not adversely affect the DOA's budgetary priorities.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1581 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

SCRep. 181 Agriculture on H.B. No. 1750

The purpose of this bill is to clarify that an assignee to an agricultural lease must first qualify as a bona fide farmer before being assigned the lease.

Your Committee notes that because of the ambiguity of the current law, nonfarmers are able to obtain agricultural leases. This bill will correct the ambiguity and allow the Department of Land and Natural Resources (DLNR) to apply the same standards of eligibility to all subsequent lessees of agricultural leases to ensure that state trust lands dedicated to agriculture are actually used for agricultural pursuits.

Your Committee received testimony in support of this bill from DLNR, the Department of Agriculture, and the Hawaii Farm Bureau.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1750 and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representative Herkes.

SCRep. 182 Education and Higher Education on H.B. No. 1133

The purpose of this bill is to:

- (1) Appropriate funds to the Hawaii Young Scholars Program to support participating schools to motivate students to pursue higher education; and
- (2) Strengthen and enhance the collaborative working relationship between the Department of Education and the University of Hawaii.

The University of Hawaii, the Department of Education, and the Hawaii State Teachers Association submitted testimony supporting the intent of this bill.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1133 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, Santiago, Takamine, Takumi and McDermott.

SCRep. 183 Education and Higher Education on H.B. No. 1684

The purpose of this bill is to appropriate funds for teacher education. As originally introduced, this bill would appropriate funds to enable the University of Hawaii to offer a complete dual certification program in elementary and special education on the island of Kauai, and to expand the program to include either a secondary teacher certification or a master's degree.

The University of Hawaii, the Department of Education, the district superintendent of the Kauai District of the Department of Education, and the Hawaii State Teachers Association submitted testimony in support of the intent of this bill.

Your Committees have amended this bill by:

- (1) Inserting an additional appropriation of \$700,000 to the University of Hawaii to address the issues of teacher shortages, teacher retention rates, and improve teacher preparation and quality statewide; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1684, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1684, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Santiago, Takamine, Takumi and McDermott.

SCRep. 184 Hawaiian Affairs on H.B. No. 2065

The purpose of this bill is to provide for the election of delegates as called for by the Native Hawaiian Vote and the convening of delegates to propose a Native Hawaiian government through the appropriation of funds and otherwise.

Testimony in support of this measure was submitted by the State Council of Hawaiian Homestead Associations, the Association of Hawaiian Civic Clubs, the Oahu Council of the Association of Hawaiian Civic Clubs, ALU LIKE, Inc., Ke Ola Mamo, the Hawaiian National Communications Corporation, Lunalilo Home, the Native Nation of Ku Hooneenuu Pono, and many concerned individuals. Testimony in support of the intent of this measure was submitted by the Office of Hawaiian Affairs. The Department of the Attorney General submitted comments on this measure. Opposing testimony was submitted by the Kanaka Maoli Tribunal Komike, Ka Lahui Hawaii, Ka Pakaukau, and several concerned individuals.

In August 1996, the results of the Native Hawaiian Vote conducted by the Hawaii Sovereignty Elections Council (HSEC) were certified. Of the valid voted ballots returned by registered Native Hawaiians, seventy-three percent responded "yes" to the question: "Shall the Hawaiian people elect delegates to propose a native Hawaiian government?"

In December 1996, HSEC submitted its final report, in which HSEC proposed that delegates be elected and a convention convened. On December 31, 1996, HSEC ceased to exist.

However, Ha Hawaii, a domestic nonprofit 501(c)(3) corporation consisting of a number of HSEC members, continued in effect to advocate post-Vote action. This bill proposes that Ha Hawaii assume primary responsibility for completing the post-Vote process under the same tripartite funding arrangement as utilized for the Vote.

Your Committee recognizes the Vote as a valid expression of the will of the Hawaiian people. Your Committee believes that the election of delegates and convening and completion of a convention to address Hawaiian self-governance is integral to the goals of greater self-sufficiency and responsibility for Native Hawaiians and the final resolution of outstanding issues.

Your Committee also recognizes that Ha Hawaii, as the natural successor to HSEC, is the logical choice to coordinate and effect the post-Vote process. However, it is your Committee's hope that Ha Hawaii will solicit input and utilize the experience and assistance of other members of the Hawaiian community.

Your Committee further recognizes that the timing, substance, and conclusions of the convention should and must be left exclusively to the Hawaiian community, and that the effectuation of recommendations made by the convention may not involve the State of Hawaii or its political subdivisions. Nonetheless, it is your Committee's hope that, in preparing for, completing, and conducting the convention, participants will be cognizant of other potentially relevant events such as the anticipated Constitutional Convention, and will consider a full range of options with respect to Hawaiian self-governance including those which the remaining citizens of Hawaii would embrace.

In reviewing this measure, your Committee has been especially attentive to the decisions of the United States District Court, District of Hawaii, in Civil Nos. 96-00390 and 96-00616 relative to the Vote. It is the intent of your Committee that the provisions in this bill including those relative to the expenditure of state funds be interpreted as in compliance with the constitutional guidelines set forth in those decisions.

Finally, your Committee notes that the dollar amount allocated to Ha Hawaii under this bill has been left blank. In this regard, your Committee believes that the post-Vote process anticipated under this bill could be completed for substantially less than the \$8.3 million total described in HSEC's final report.

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

- (1) Clarifying the Legislature's express intent that nothing in the election of delegates or convening and completion of a convention be construed as binding the State or any other government entity to any course of action, or confer on the delegates, convention, or any other person or entity any role other than purely advisory;
- (2) Including that the appropriation also be used for the completion of the convention and presentation of findings and recommendations;
- (3) Providing that Ha Hawaii's matching share may be provided by Ha Hawaii or other sources including public, and that Ha Hawaii's and the Office of Hawaiian Affairs' shares may consist of goods or services of equivalent value;
- (4) Clarifying that the funds be awarded to Ha Hawaii as a grant pursuant to the provisions of Chapter 42D, Hawaii Revised Statutes;
- (5) Adding a supremacy clause;
- (6) Adding a severability clause;
- (7) Providing a sunset date of June 30, 1999; and
- (8) 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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2065, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2065, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 185 Hawaiian Affairs on H.B. No. 1711

The purpose of this bill is to assist the Department of Hawaiian Home Lands (DHHL) in expediting the development of its lands for homesteading.

More specifically, this bill authorizes DHHL, with the approval of the Governor, to undertake projects without regard to the Hawaii Public Procurement Code when the bids submitted exceed the amount of available funds.

The Department of Hawaiian Home Lands submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1711 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 186 Hawaiian Affairs on H.B. No. 1712

The purpose of this bill is to:

- (1) Authorize the Department of Hawaiian Home Lands to undertake rental housing projects; and
- (2) Authorize existing homesteaders to rent to native Hawaiians to provide safe, sanitary, and affordable housing to those beneficiaries who cannot qualify for home ownership.

The Department of Hawaiian Home Lands, the Office of the Governor, and various officers of the State Council of Hawaiian Homestead Associations submitted testimony supporting the intent of this bill. The Native Hawaiian Legal Corporation submitted testimony supporting kupuna rental housing, but strongly opposing section three of this bill.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1712 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 187 Hawaiian Affairs on H.B. No. 1713

The purpose of this bill is to:

- (1) Make various technical, nonsubstantive amendments to the Hawaiian Homes Commission Act, 1920 as Amended (Act); and
- (2) Repeal section 223 of the Act as being in conflict with section 5(h) of the Admission Act.

Testimony in support of this measure was received from the Department of Hawaiian Home Lands and various representatives of the State Council of Hawaiian Homestead Associations. Comments were received from the Kawaihae Hawaiian Homes Homeowners Community Association.

Your Committee finds that this bill is basically a housekeeping measure making technical, nonsubstantive amendments to the Act that the Attorney General has determined do not require Congressional approval.

A technical, nonsubstantive revision has been made by your Committee for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1713 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1713, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 188 Hawaiian Affairs on H.B. No. 1746

The purpose of this bill is to:

- (1) Clarify the duties and responsibilities of the Kaho'olawe Island Reserve Commission (KIRC) with regard to burials within the Kaho'olawe Island Reserve; and
- (2) Allow the KIRC to delegate authority to its employees as deems necessary for efficient operation.

The Department of Land and Natural Resources and the Office of Hawaiian Affairs submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1746 and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee.

SCRep. 189 Hawaiian Affairs on H.B. No. 1747

The purpose of this bill is to clarify the authority of the Department of Land and Natural Resources to enforce activities on the Kahoolawe Island Reserve.

The Board of Land and Natural Resources and the Office of Hawaiian Affairs submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1747 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 190 Hawaiian Affairs on H.B. No. 1748

The purpose of this bill is to establish administrative penalties to address civil violations within the Kahoolawe Island Reserve.

This measure would also change existing misdemeanor offenses to petty misdemeanors.

The Board of Land and Natural Resources and the Office of Hawaiian Affairs submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1748 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 191 Hawaiian Affairs on H.B. No. 1100

The purpose of this bill is to revise the manner in which trustees of the Office of Hawaiian Affairs (OHA) are elected.

Comments were received on this measure from OHA, the Oahu Council of the Association of Hawaiian Civic Clubs, and a private citizen.

Your Committee finds that although current law requires that a candidate running for an OHA island representative seat must be a resident of the island of Hawaii, Maui, Molokai, Kauai, or Oahu, these seats are elected at-large by all qualified voters in the State who are Hawaiian.

The result is possible underrepresentation of some islands such as Niihau and Lanai, less accountability to the island of residency, and increasingly expensive campaigns resulting from required statewide candidacy.

This measure would create separate districts for eight of the nine OHA seats, leaving only one seat to be elected at-large by Hawaiian voters statewide.

The testimony elicited a concern whether this change would violate the "one person-one vote" rule. Your Committee commends this issue to the attention of your Committee on Judiciary.

Your Committee has amended this measure to:

- (1) Include Koolauloa in the East Oahu district;
- (2) Include Waianae in the West Oahu district; and
- (3) Make a technical, nonsubstantive revision to correct a drafting error.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1100, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 192 Hawaiian Affairs on H.B. No. 614

The purpose of this bill is to:

- (1) Establish the Hawaiian Homes Commission as an elected body; and
- (2) Establish qualifications and procedures for candidates and voters.

The Waimea Hawaiian Homestead Association, Inc., the Aged Hawaiians, the Oahu Council of the Association of Hawaiian Civic Clubs, various officers and members of the State Council of Hawaiian Homestead Associations, and a private citizen submitted testimony in support of the intent of this bill. The Department of Hawaiian Home Lands (DHHL) submitted testimony in opposition to this bill.

Your Committee considered the position of the DHHL that an elective commission may not function as well as the current appointive commission. However, your Committee believes that such a concern is speculative and outweighed by the benefits of increased accountability and by the consistency of an elective commission with the overall goal of greater self-sufficiency and self-determination for DHHL beneficiaries.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 614 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 193 Education on H.B. No. 1150

The purpose of this bill is to create a task force composed of leaders from the legislative, executive, and judicial branches of State government to design a model to provide services to youth and their families through interdisciplinary, interagency, and intergovernmental teams of professionals.

The Department of Health (DOH) submitted testimony supporting the intent of the bill, but with a concern that the task force has no representation from DOH. The Department of Education and the Office of Youth Services submitted comments on the measure.

Your Committee finds that government services to youth and their families tend to be organized and provided in a fragmented manner. While there are efforts to integrate certain services, among certain agencies, no effort is taking place at the highest levels of State government.

The bill has been amended by:

- (1) Recognizing the changes in the names and responsibilities of the Senate committees in modifying the membership of the task force;
- (2) Giving the Senate and the House of Representatives designees to the task force an equal number of votes by splitting the votes of the Senate co-chairs of the Education Committee and the Health and Environment Committee;
- (3) Adding the Governor's advisor on families and youth to the task force as a co-chair;
- (4) Adding the Director of Health to the task force; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1150, HD 1, and be referred to the Committees on Human Services and Housing and Health.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 194 Education and Higher Education on H.B. No. 865

The purpose of this bill, as received by your Committees, was to make an appropriation of approximately \$3,120,000, to establish a mentor teacher program.

Your Committees received testimony in support of this bill from the University of Hawaii at Manoa's College of Education (UHM), the Department of Education (DOE), the Hawaii Congress of Parents, Teachers, and Students, and the Office of Hawaiian Affairs.

Your Committees find that a mentoring program for new teachers will:

- (1) Foster the professional development of novice teachers;
- (2) Assist in the retention of novice teachers in the DOE; and
- (3) Have a positive and significant impact on the achievement and development of Hawaii's children.

Your Committees, in agreement with the UHM and the DOE, have amended this bill by:

- (1) Reducing the \$4,000 stipend amount to \$2,000 per mentor teacher;
- (2) Increasing the number of mentor teacher positions from four hundred and eighty to seven hundred and eighty; and
- (3) Inserting the sum of \$1,644,000 as total sum to be appropriated for the establishment of a mentor teacher program; and
- (4) Making technical, nonsubstantive revisions for purpose of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 865, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 865, HD 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takamine, Takumi and McDermott.

SCRep. 195 Education and Higher Education on H.B. No. 1345

The purpose of this bill is to promote charitable contributions of educational technology equipment and services, such as computer and telecommunications equipment, to public educational institutions.

Specifically, individual resident taxpayers will be allowed to deduct from state gross income the actual cost paid for the computer equipment, provided the taxpayer has a dependent attending a public school or the University of Hawaii (UH).

In addition, taxpayers engaged in a trade or business will be allowed to deduct the fair market value of contributions to the Department of Education (DOE) or UH.

Testimony in support of this bill was received from the DOE, UH, Hawaii State Teachers Association, and Kamehameha Schools Bernice Pauahi Bishop Estate.

Testimony in opposition to this bill was received from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committees believe that increased access to technological resources is crucial to Hawaii's educational, social, and economic development.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1345 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takamine, Takumi and McDermott.

SCRep. 196 Health on H.B. No. 388

The purpose of this bill is to initiate the process of transferring the ownership and management of the public health facilities system now within the Hawaii health systems corporation to the private sector through the issuance of requests for proposals.

H.B. No. 388 was introduced as a short-form bill, which is sometimes referred to as a 'vehicle' bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the action to report out H.B. No. 388, as amended herein, and recommends that it be recommitted to the Committee on Health, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. 388, HD 1.

Signed by all members of the Committee except Representative Saiki.

SCRep. 197 Hawaiian Affairs on H.B. No. 1036

The purpose of this bill relates to the Department of Hawaiian Home Lands.

H.B. No. 1036 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1036, as amended herein, and recommends that it be recommitted to the Committee on Hawaiian Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1036, HD 1.

Signed by all members of the Committee.

SCRep. 198 Agriculture on H.B. No. 1577

The purpose of this bill is to authorize the Chairperson of the Board of Agriculture to:

- (1) Accept collateral, in the collection of delinquent water tolls, acreage assessments, and other related irrigation projects, as security in the debt restructured under a payment plan for the delinquency; and
- (2) Foreclose on the collateral if there is a default.

The Department of Agriculture submitted testimony in support of this measure.

Your Committee has amended this bill by making a technical, nonsubstantive amendment to correct a drafting error.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1577, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1577, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

SCRep. 199 Agriculture on H.B. No. 1579

The purpose of this bill is to allow the Department of Agriculture (DOA) to publish a notice once in a daily or weekly publication of general circulation, in the county where the action or proposed action will be taken, to notify landowners and occupiers of any private property of the DOA's intent to enter the property for the control or eradication of pests.

Your Committee received testimony from the DOA in support of the bill.

Existing law requires the DOA to:

- (1) Give at least five days written notice on certified mail to the landowner and occupier, of the DOA's intention to enter the property for the control and eradication of pests; or
- (2) Serve written or oral notice to both the landowner and the occupant of the property of the DOA's intention to enter the property for noxious weed control and eradication.

Your Committee finds that this measure will expedite the notification process so that the DOA can better implement pest control and eradication measures.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1579 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Herkes.

SCRep. 200 Human Services and Housing on H.B. No. 386

The purpose of this bill is to appropriate funds to establish a multi-service outreach homeless center to provide a variety of needed outreach services to the homeless on Oahu.

Both written and oral testimony submitted by many parties including the Mental Health Association in Hawaii, the Waikiki Health Center, the AARP, and the Institute for Human Services, Inc., among a number of individual citizens, showed marked support for this measure aimed at making funds available for outreach service support for the homeless. The Committee, acknowledging that need for outreach support services, passed said bill with several amendments.

Your Committee has therefore adopted recommendations from testimony and your Committee members to include:

- (1) Including a purpose clause setting forth justification for the outreach centers; and
- (2) To delete pilot project terminology.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 386, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 386, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 201 Human Services and Housing on H.B. No. 1102

The purpose of this bill is to appropriate funds to enable the state to meet its contractual obligations with Hale 'Opio, Kauai, Inc. (Hale 'Opio).

Your Committee notes that the delay by the State to provide a site for Hale 'Opio was detrimental to the operations of this agency, and moreover, had a severe impact on Hale 'Opio's group home program, which provides the only homes available to children in need on Kauai. Funding for Hale 'Opio would enable this agency to provide services to those children and families in need of such social services.

Your Committee received supporting testimony from Hale 'Opio. Comments were submitted by U.S. Senator Daniel K. Inouye.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1102 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 202 Human Services and Housing on H.B. No. 1488

The purpose of this bill is to:

- (1) Require family child care homes to register with the Department of Human Services every two years; and
- (2) Amend the definitions of "child care facility" and "family child care home".

The Department of Human Services, the Hawaii Early Intervention Coordinating Council, and People Attentive to Children submitted testimony in support of this measure and recommended clarifying the definition of "family care home" and increasing the duration of child care licenses.

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

- (1) Amending the definition of "family child care home" to clarify that a licensed family child care home can care for three to six children, who are unrelated to the caregiver by blood, marriage, or adoption, at any given time;
- (2) Extending the duration of a license for the operation of a group child care home or a group child care center from one to two years; 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1488, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1488, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 203 Public Safety and Military Affairs on H.B. No. 105

The purpose of this bill is to appropriate funds to:

- (1) Expand prison space by constructing additional dormitories, erecting tent-like structures, and utilizing inmate work crews to build needed facilities; and
- (2) Meet the mental health needs of inmates by constructing psychiatric wards in correctional facilities.

Testimony in support of this measure was received from the Department of the Prosecuting Attorney of the City and County of Honolulu and the coordinator of the Community Policing Program of Village Park, Waipahu. The Department of Public Safety submitted testimony supporting the intent of this bill, with reservations concerning the establishment of psychiatric wards at correctional facilities.

Your Committee recognizes the need for the expansion of needed prison space in order to alleviate prison overcrowding. An expansion will also enable the State to house repeat offenders and career criminals instead of releasing them prematurely into the community.

While in agreement with the intent of this bill, your Committee believes that additional capital improvement projects should be included.

Your Committee has amended this bill by:

- (1) Including an appropriation for the improvement of the Kulani water system; and
- (2) Including an appropriation for expansion of the Kauai facility involving the conversion of cabins into bed space for women, as well as the installation of perimeter fencing and a security system.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 105, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 204 Public Safety and Military Affairs and Judiciary on H.B. No. 342

The purpose of this bill is to require the Department of Public Safety to develop a request for proposals for competitive sealed proposals to design, construct, lease or purchase, improve, operate, maintain, and manage a privately run prison in the County of Hawaii.

Testimony in support of this measure was received from the National Federation of Independent Business (NFIB), Wackenhut Corrections Corporation, Management and Training Corporation, and Dove Correction Services, Inc. Testimony against this measure was received from the Department of Public Safety, American Civil Liberties Union of Hawaii, and the United Public Workers, AFSCME, Local 646, AFL-CIO.

While in agreement with the intent of the bill to provide a solution to the problem of prison overcrowding, your Committees believe that further consideration must be given to the ramifications of a move toward privatization. Therefore, the bill was amended to establish a commission that will be charged with the responsibilities of preparing a comprehensive report and making recommendations to the Legislature on privatization of prison operations, out-sourcing, and private prison development.

Accordingly, your Committees have amended this bill to:

- (1) Establish a commission on privatization, out-sourcing, and development of correctional facilities:
 - (A) The commission shall consist of 15 members, who represent corrections, probation, budget and finance, human resources development, economic development, and facilities management agencies in the state;

(B) The commission shall be charged with the following tasks:

- (i) Explore the opportunities for private management and operation of state-owned corrections facilities;
- (ii) Explore the opportunities for out-sourcing specific operations within all or selected state corrections facilities, and operations shall include but not be limited to food service, correctional industries, medical services, management, maintenance, and staffing;
- (iii) Examine and evaluate opportunities for the private development of new correctional facilities, including operational costs and quality of service;
- (iv) Issue a report that includes the findings of the commission and recommendations of actions to be taken to achieve the goals and objectives that reflect the majority opinion of the commission;
- (v) Include in all recommendations the minority and contrary points of view expressed by commission members; and
- (vi) Include in all recommendations a comparative summary of costs and potential savings to be realized; and

(C) The commission may engage the assistance of not more than three experts to provide assistance in its deliberations;

(2) Provide that the commission shall meet at least monthly, or more frequently as necessary:

(A) The initial meeting shall be held no later than September 30, 1997; and

(B) The report, findings, and recommendations will be submitted to the Legislature by December 15, 1998;

(3) Include the appropriation of \$85,000 in fiscal year 1997-1998 for support and operating expenses to carry out the purposes of this measure; and

(4) Provide that the bill will sunset on September 30, 1998, but may be extended upon the recommendation of the director of the Department of Public Safety, with the concurrence of the Legislature.

Your Committees have made technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 342, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 342, HD 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committees except Representatives Hiraki and Menor.

SCRep. 205 Labor and Public Employment on H.B. No. 461

The purpose of this bill is to require the public disclosure of the financial interests of:

- (1) State board and commission members who are subject to Senate confirmation or who exercise adjudicatory functions; and
- (2) State employees annually earning \$50,000 or more.

Under current law, the annual financial disclosure statements of many highly compensated state employees and most state board and commission members are kept confidential even though they may exercise substantial authority in the execution of their official duties. Your Committee finds that permitting the public to review the financial statements of such persons will serve to restore public confidence in the integrity of state government.

Your Committee further finds that this measure should not deter qualified persons from accepting appointments to state boards and commissions as it strikes a balance between the privacy interests of board and commission members, who often serve without compensation, and the public's right to know. Under the bill, only the financial interests held by a board or commission member must be reported, not the value of any such financial interest.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 461 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 206 Transportation on H.B. No. 229

The purpose of this bill is to assist in the collection for delinquent parking tickets from vehicle owners who have three or more delinquent tickets.

Your Committee finds that there is a substantial number of vehicle owners who continue to ignore payment for their outstanding parking violations. Currently, the Traffic Violations Bureau notifies the Department of Motor Vehicles (DMV) of a vehicle with delinquent parking tickets. The DMV will deny renewal of a vehicle's registration if the vehicle has any outstanding tickets. This system delays the prompt collection of the fines since there may be an extended duration between the time of issuance of the parking tickets and the renewal of the vehicle's registration.

Further, vehicle owners who have committed parking violations may have sold their vehicles and the new owners are penalized when attempting to renew the vehicle's registration. There are many jurisdictions on the mainland which enforce parking ticket violations with immobilization devices that prevent movement of the motor vehicles until the registered owner pays all parking tickets.

This bill directs the Department of Transportation to adopt rules for the licensing of immobilization companies to install immobilization devices and to collect the fines for the State from vehicle owners with three or more delinquent parking tickets. These immobilization devices will be installed to encourage prompt payment of parking violations.

Testimony in favor of the bill was heard from Harold Falk. Testimony in opposition to the bill was heard from the Department of Transportation, reasoning that information on vehicles with less than three parking tickets may be wrongly identified as those with three or more tickets.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 229 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 207 Transportation on H.B. No. 1085

The purpose of this bill is to increase the Gross Weight Vehicle Rating (GWVR) limit for non-commercial drivers licenses from 10,000 to 11,000 pounds.

Your Committee finds that there are small businesses which must operate delivery and other business-related vehicles whose weight exceeds the present 10,000 pound limit for non-commercial drivers licenses. The drivers of these vehicles are required to obtain commercial licenses and conform to requirements irrelevant to the duties of the business. Currently, Hawaii is one of the few states that restricts non-commercial driver license holders from operating these heavier vehicles without a commercial drivers license.

Your Committee further finds that proposed amendments to sections 286-207 and 286-239 of the HRS conflict with federal regulations for the motor carrier safety laws and the mandated commercial drivers license system, resulting in loss of federal funding for the state.

This bill proposes to amend sections in chapter 286 of the Hawaii Revised Statutes (HRS) to increase the GWVR restriction for non-commercial drivers license holders to operate vehicles with a GWVR of up to 11,000 pounds. This provision will alleviate the burden on small businesses whose employees must fulfill unnecessary requirements to obtain commercial driver licenses to operate vehicles with GWVRs that exceed the 10,000 pound limit.

Testimony in favor of the bill was heard from the Legislative Information Services of Hawaii and Bubbies. Testimony opposing the measure was heard from the Department of Transportation and the Hawaii Transportation Association.

Your Committee has amended this bill by deleting proposed amendments to sections 286-26, 286-181, 286-209 and sections 286-207 and 286-239, HRS, which conflict with federal laws. The amended bill retains the proposed amendments to section 286-102(b) which complies with federal laws and ensures continued federal funding.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1085, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1085, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 208 Transportation on H.B. No. 1255

The purpose of this bill, as received by your Committee on Transportation, is to reduce incidents of motor vehicles and their component parts from being stolen.

Your Committee finds that motor vehicles and their component parts are often stolen, identification numbers removed or altered, and then the vehicle or component parts are sold at repair shops, used part shops, and "chop shops." Your Committee further finds that farm equipment, construction equipment, forklifts, and other mobile equipment suffer the same fate. Under current statutes, the police are limited to checking the records of businesses that buy and sell used motor vehicle parts or accessories.

This bill proposes to authorize police to physically check vehicles and their component parts on the highway, and at business, construction, and agricultural sites.

Testimonies in support of this measure were heard from the Honolulu Police Department and from an insurance agency.

Your Committee has amended this bill by deleting references to the Honolulu Police Department, and to police officers whose primary responsibility is to conduct vehicle theft investigations. The rationale of your Committee for making these deletions is that State laws should reflect general applicability, and not be isolated to one county or one specific type of assigned police officer. Your Committee has also made technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1255, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1255, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 209 Transportation on H.B. No. 1756

The purpose of this bill is to ensure that commercial activities at public airports are covered by the penalty provisions of section 261-21, Hawaii Revised Statutes (HRS).

Your Committee finds that there are no provisions in the HRS that provide penalties for violations of rules relating to the "licensing and regulation of persons engaged in commercial activities in or about the airport premises." The Department of Transportation (DOT) currently sets rules regulating commercial activities at public airports but there are no specified penalties for violations under these regulations. Prior to 1980, the DOT was authorized to impose penalties for the rules regulating commercial activity at airports but the statutory authority was inadvertently dropped when section 261-21 of the HRS was amended in 1980.

This bill proposes to restore statutory authority to the DOT to impose penalties on illegal commercial activities at public airports. Section 261-21, HRS, is amended to provide penalties for violations of the rules regulating commercial activities at public airports.

Testimony in support of this bill was heard from the Department of Transportation.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1756, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1756, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 210 Transportation on H.B. No. 2115

The purpose of this bill is to broaden the director of transportation's and the counties' discretion for the application of restrictions regarding the prohibition of stopping, standing, and parking of vehicles.

Your Committee finds that the director of transportation and the counties are limited only to prohibiting the stopping, standing and parking of vehicles where parking is dangerous to those using the highway or where those vehicles would interfere with the free movement of traffic.

This bill proposes to allow broader justifications by the director of transportation and the counties to prohibit the stopping, standing, and parking of vehicles where they deem it necessary.

Testimony in support of this bill was heard from the Department of Transportation.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2115, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 211 Transportation on H.B. No. 2144

The purpose of this bill is to appropriate supplemental funds for a development improvement plan for Farrington highway from Waipahu High School to Kunia Road.

Your Committee finds that the portion of Farrington Highway running through the community of Waipahu serves as an important crossroad for north-south and east-west travel through the rapidly expanding communities surrounding Waipahu. The increase in favorable traffic has made it necessary to consider road improvements to address safety concerns.

Presently, students are required to walk to and from schools along significant portions of Farrington highway that do not have sidewalks or protective devices. The absence of bus pullouts on the highway adds to the heavy congestion during peak travel times. In addition, much of the divided highway lacks adequate drainage, and the median and curbsides lack landscaping and irrigation.

This bill appropriates \$1.00 for planning and design for Farrington Highway improvements along the entire length of the highway from Waipahu High School to Kunia road.

Testimonies in favor of this bill were heard from the Department of Transportation, Hawaii Operating Engineers Industry Stabilization Fund, Waipahu Neighborhood Board, and LOTMA.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2144, HD 1, and be referred to the Committee on Finance.

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

SCRep. 212 Transportation on H.B. No. 393

The purpose of this bill, as referred to your Committee on Transportation, is to expedite early morning traffic on Like Like Highway.

Your Committee finds that large commercial vehicles impede early morning traffic on Likelike Highway, causing traffic congestion which delays other drivers and passengers in reaching their destinations.

This bill proposes to add a new section to Chapter 291C, Hawaii Revised Statutes HRS, to prevent the operation of commercial vehicles with a gross vehicle weight rating in excess of twenty-six thousand pounds on Likelike Highway from 5:30 a.m. to 7:30 a.m., Monday through Friday, except on public holidays, provided that the proposed law does not apply to passenger carrier vehicles. The bill also establishes a graduated schedule of penalties for violations.

Testimonies in favor of this bill were heard from the Department of Transportation and a member of the insurance industry. Testimonies in opposition to this proposal were heard from the Hawaii Transportation Association, Hawaiian Bitumuls and Paving Company, and the American Pacific Transport Company.

Your Committee has amended this bill by placing "the prohibition" about the operation of commercial motor vehicles in Chapter 286, by adding a new section to Chapter 286, rather than by adding a new section to Chapter 291C, since it relates to Highway Safety, rather than the Statewide Traffic Code. Your Committee's amendment to the bill proposes that the director of transportation be authorized to prohibit the operation of certain commercial vehicles on specified public highways during specified periods of heavy traffic, rather than making the prohibition specific as to time, location, and weight of vehicle in the law.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 393, HD 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 213 Transportation and Tourism on H.B. No. 667

The purpose of this bill is to require the Department of Transportation (DOT) and the Department of Business, Economic Development, and Tourism (DBEDT) to:

- (1) Work with the City and County of Honolulu and private industry to determine the level of interest in building a "people mover" system between Waikiki and the Honolulu International Airport;
- (2) Develop specifications for the issuance of the request for proposals to assess the feasibility of planning, developing, constructing, and maintaining a people mover system using private funds or other sources of funding including airport funds;
- (3) Develop other criteria for inclusion in the request for proposals; and
- (4) Report their findings and recommendations to the Legislature before the convening of the 1998 legislative session.

The Hawaii Hotel Association and a private citizen testified in support of this measure. The Hawaii Transportation Association opposed this measure. DOT and DBEDT submitted comments.

With the State's heavy reliance on the visitor industry, your Committees find that it is critical that efforts are made to ensure that visitors have positive impressions of their stay in Hawaii. Since a significant number of visitors stay in

Waikiki, one way to accomplish this goal would be to establish a people mover system between Waikiki and the Honolulu International Airport for the dual purpose of transporting visitors in an efficient manner and to ease traffic congestion.

A people mover system uses vehicles or short trains that operate on fixed guideways along an exclusive right-of-way grade that is separated from other traffic. Similar systems have proven to be both economical and successful in other jurisdictions.

In consideration of the State's current financial situation, your Committees find that funding for a people mover system must come from private sector moneys and other sources of funding. Unfortunately, the use of airport fund or highway fund moneys would probably be prohibited by federal requirements.

Your Committees further recognize that safeguards must be made to ensure that the developer of a people mover system take financial responsibility for this endeavor and not hold the State or the City and County of Honolulu responsibility for any liability arising from such a project.

After careful deliberation, your Committees have amended this measure by:

- (1) Involving only DOT, and not DBEDT, in the review and issuance of the request for proposals for the people mover system;
- (2) Requiring DOT to determine the level of interest in building a people mover system between Waikiki and the Honolulu International Airport, or a portion of the route;
- (3) Requiring DOT to assess the feasibility of operating the people mover system;
- (4) Deleting references to the use of airport funds for the people mover system because federal requirements would prohibit the use of such funding;
- (5) Specifying the following system criteria for inclusion in the request for proposals as part of the bidder's responsibilities:
 - (A) Obtaining land for the State, at the bidder's expense, for an exclusive right of way between Waikiki and the Honolulu International Airport for the people mover route;
 - (B) The operation, use, and maintenance of the people mover system;
 - (C) Coordinating the granting of leases for concessions in stations along the people mover route;
 - (D) Indemnification of the State and the City and County of Honolulu from any liability arising from the planning, development, construction, operation, use, and maintenance of the people mover system;
 - (E) Executing an agreement to hold the State and the City and County of Honolulu harmless for any liability to the bidder arising from the people mover project;
 - (F) The repayment of all public funds used for the project if the bidder defaults on any agreement with the State and the City and County of Honolulu; and
 - (G) The payment to the State of a refundable deposit in addition to a performance bond, which shall be in an amount set by DOT and refunded to the bidder upon completion of construction;
- (6) Requiring DOT to identify the potential disposition of revenues derived from the use of the people mover system; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Transportation and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 667, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 667, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Ahu Isa.

SCRep. 214 Health and Human Services and Housing on H.B. No. 645

The purpose of this bill is to prevent the transfer of funds designated for the Intermediate Care Facilities for the Mentally Retarded program from the Department of Health, Developmental Disabilities Division budget to the Department of Human Services, Medicaid budget.

The State Planning Council on Developmental Disabilities and the Commission on Persons with Disabilities submitted testimony in support of this bill. The Department of Health submitted testimony supporting the intent of this bill and suggested amendments. The Department of Budget and Finance submitted testimony opposing this bill.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 645 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Saiki.

SCRep. 215 Health and Human Services and Housing on H.B. No. 646

The purpose of this bill is to appropriate state funds as matching funds for the Title XIX Medicaid Home and Community-Based Services Waiver Program to serve individuals with developmental disabilities.

State Planning Council on Developmental Disabilities, Opportunities for the Retarded, the Arc of Kauai, the Arc of Maui, the Arc in Hawaii, the Protection and Advocacy Agency of Hawaii, the Special Education Center of Hawaii, and a concerned individual submitted testimony in support of this measure. The Department of Health and the Department of Human Services submitted testimony in support of the intent of this measure.

Your Committees received testimony from the Department of Budget and Finance in opposition to the measure.

After careful consideration, your Committees have amended this measure by:

- (1) Acknowledging there are, at a minimum, 625 additional developmentally disabled individuals who need services and support to enable them to live in the community;
- (2) Clarifying that state funds to be appropriated are for additional matching funds not included in the Developmental Disabilities Division budget;
- (3) Increasing the number of individuals to be served in the Home and Community-Based Service Waiver Program to reflect the number in the renewal waiver application to the Health Care Financing Administration as opposed to the calculated number of individuals who would participate in the Adult Day Health services as indicated in the original bill;
- (4) Appropriating \$4,380,716 for fiscal year 1997-1998 and \$6,289,912 for fiscal year 1998-1999, based on the renewal waiver application to the Health Care Financing Administration and recommended rates from a private consulting firm; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 646, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 646, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Saiki.

SCRep. 216 Health on H.B. No. 978

The purpose of this bill is to prohibit the distribution of sample tobacco products and tobacco promotional materials:

- (1) Within 1000 feet of any school attended by minors; and
- (2) In or on any public street, sidewalk, or park.

The Department of Health, the Department of Education, the American Lung Association of Hawaii, the American Cancer Society, Hawaii Pacific Division, the Hawaii Medical Association, the American Heart Association-Hawaii Affiliate, and the Hawaii Nurses' Association submitted testimony in support of this measure.

Your Committee agrees that one way to prevent children from becoming addicted to harmful tobacco products is to control the enticements to smoke that lure them to become new customers.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 978 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Saiki.

SCRep. 217 Health on H.B. No. 1984

The purpose of this bill is to appropriate funds to treat teens who are dependent on drugs, in a family-like setting.

Your Committee received a considerable amount of testimony in support of this measure, including testimony from teenagers themselves, which indicated that there is a serious need to continue and expand existing alcohol and other drug treatment services for adolescents. Your Committee heard testimony that a 1993 Department of Education Student Use Survey indicated that there were approximately 11,000 students identifying themselves as serious substance abusers. Unfortunately, the resources dedicated to adolescent treatment have not been great enough to reach even a small percentage of the need that is in our communities.

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

Signed by all members of the Committee except Representative Saiki.

SCRep. 218 Judiciary on H.B. No. 1188

The purpose of this bill is to appropriate funds to allow the Department of the Attorney General to sponsor a "Crime in Hawaii" symposium.

The Honolulu Police Department and Citizens Advocating Responsible Education testified in support of the bill. The Attorney General supported the intent of the measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1188 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 219 Judiciary on H.B. No. 1378

The purpose of this bill is to exempt from civil service, one secretary for the judicial council and certain law clerks for judges of the circuit, district and land courts.

Your Committee received supporting testimony from the Administrative Director of the Courts and finds that the bill would improve efficiency of the courts by establishing a more beneficial and productive relationship between judges and law clerks.

Your Committee has amended this bill to identify specifically those civil service law clerk positions which are exempt from civil service requirements.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1378, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1378, HD 1, and be referred to the Committee on Finance.

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

SCRep. 220 Higher Education on H.B. No. 138

The purpose of this bill is to fund the repair and expansion of Hamilton Library.

The University of Hawaii (UH), members of the Associated Students of the University of Hawaii, and several individuals submitted testimony in support of this measure.

Your Committee finds that funding for Hamilton Library is UH's top priority. The library is the heart and soul of any university. However, unfortunately, the physical condition of Hamilton Library has declined. In addition, Hamilton Library is currently housing double the number of volumes for which it was built, and the staff must resort to storing excess materials in Sinclair Library, where conditions are worse.

Your Committee further finds that this measure will result in improved workspace, a larger information technology section, and improved conditions for storing UH's valuable collections.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 138 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Stegmaier, Takumi, Halford and McDermott.

SCRep. 221 Higher Education on H.B. No. 340

The purpose of this bill is to appropriate funds to increase audio-visual and print media exposure for the University of Hawaii at Hilo (UH-Hilo) to promote increased enrollment.

The University of Hawaii at Hilo submitted testimony opposing this measure.

While UH-Hilo could use additional funds to increase its marketing and recruitment efforts, other needs have higher priority. Therefore, your Committee has amended this bill by deleting its contents and inserting the language of H.B. No. 595, which appropriates funds for a scientist/technician for the College of Agriculture at UH-Hilo.

Your Committee finds that the demise of the sugar industry throughout the State, especially on the Big Island, has created acres of vacant sugar lands. The production of commercial forest products offers a promising use of these vacant lands. However, if this is a serious goal, UH-Hilo must play a major role in ensuring that properly trained individuals are available to assist in the development of forestry in Hawaii.

By developing a Tropical Forestry Specialization within the College of Agriculture at UH Hilo, the State of Hawaii can become the center for tropical forestry in the state and the Pacific.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 340, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 340, HD 1, and be referred to the Committee on Finance.

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

SCRep. 222 Higher Education on H.B. No. 1655

The purpose of this bill is to establish a Commercial Enterprises Revolving Fund (Fund) for the University of Hawaii (University). All revenues derived from the operation of commercial enterprises by various University programs would be deposited into the Fund.

Your Committee finds that, due to declining revenues, the University must look for new and innovative means of generating revenues to support its programs. This measure would facilitate the operation of commercial enterprises by the University and make it possible for the University to generate additional revenues for the benefit of the University.

A representative of the University of Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1655 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 223 Higher Education on H.B. No. 1656

The purpose of this bill is to delete the statutory requirement that the Board of Regents of the University of Hawaii set aside tuition revenues for scholarships under the Hawaii Opportunity Program in Education (HOPE).

The University of Hawaii testified in support of this bill.

Your Committee finds that Act 161, Session Laws of Hawaii 1995, granted increased fiscal autonomy to the University of Hawaii. In accordance with this purpose, various statutory provisions establishing different kinds of tuition waivers were repealed. While the University of Hawaii would no longer be required to set aside moneys for HOPE scholarships, the University of Hawaii verbally testified that the intent of HOPE would be continued through the provision of tuition waivers to qualifying students. As a result, students who would have qualified for HOPE scholarships will receive tuition waivers in the future.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1656 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 224 Higher Education on H.B. No. 1663

The purpose of this bill is to provide the University of Hawaii with a greater degree of fiscal flexibility in the operations of its intercollegiate athletic programs.

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

Your Committee finds that the intercollegiate athletics program of the University of Hawaii benefits the community by creating widespread interest and a strong sense of pride. It also raises the awareness, both statewide and nationally, of the quality of the University's academic, research, and public service programs. This bill is intended to assist the athletic department achieve its goal of financial independence.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1663 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Takumi, Halford and McDermott.

SCRep. 225 Higher Education on H.B. No. 1664

The purpose of this bill is to enable the state to participate in the Western Governors University, known as the "Virtual University".

This project offers high quality educational programs throughout the western region; programs which might otherwise be unavailable to Hawaii's residents. Participation in this project will also give Hawaii an opportunity to share its own high-quality educational programs with others in the western region.

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1664 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 226 Agriculture on H.B. No. 1578

The purpose of this bill is to make an explicit grant of authority to state and county law enforcement officers to enforce Chapter 142, Hawaii Revised Statutes (HRS).

Among other things, this bill:

- (1) Authorizes state and county law enforcement officers to issue citation and summons for violations of Chapter 142, HRS;
- (2) Requires law enforcement officers to use the summons and complaint citation books issued by the Judiciary for violations of the Traffic Code; and
- (3) Requires that:
 - (A) Two copies of the livestock ownership and movement certificate are to accompany the livestock shipment; and
 - (B) One of the copies of the certificate is to be presented upon request to a law enforcement officer or other authorized officer or employee of the Department of Agriculture (DOA).

The DOA submitted testimony supporting this measure.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1578, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Herkes.

SCRep. 227 Higher Education and Education on H.B. No. 1654

The purpose of this bill is to extend, indefinitely, the administrative flexibility granted on a trial basis to the University of Hawaii (University) and the Department of Education by Act 321, Session Laws of Hawaii (SLH) 1986, as amended.

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

Your Committees find that the passage of Act 321, SLH 1986, as amended, has enabled the University to discharge its fiscal and procurement functions more efficiently and effectively in support of the instructional, research, public service, and individual program missions of the University system. Since being delegated fiscal authority and responsibility, the University has become more responsive to a wide range of business requirements attendant to servicing students, faculty, staff, vendors, and other members of the University community. The Department of Education also benefitted from the increased flexibility.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1654 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, Santiago, Takamine, Halford and McDermott.

SCRep. 228 Tourism on H.B. No. 1318

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for the promotion of four existing televised golf events, Senior Skins, Lincoln Mercury Kapalua International, Hyatt Regency Kaanapali Classic, and the Master Card PGA Grand Slam of Golf on the island of Kauai.

Your Committee received testimony as follows:

1. Office of the Mayor of the County of Hawaii, Office of the Mayor of the County of Kauai, Lincoln-Mercury Kapalua International, Native Sun Business Group, Maui Hotel Association, Poipu Beach Resort Association, Maui Visitors Bureau, Hyatt Regency Resort, in support; and
2. Department of Business, Economic Development, and Tourism, in comment.

Your Committee finds that televised golf events give tremendous media exposure of Hawaii to an especially affluent segment of the potential tourism market. A large proportion of visitors to Hawaii include golf in their list of activities, and the game has a particularly strong attraction for visitors from Asia, particularly Japan, and Europe.

Your Committee revised the bill by:

1. Changing the appropriation amount to \$1 for each of the four events, for the purpose of continuing discussion of the bill;
2. Adding a provision requiring matching funds in a ratio of 3 to 1, private to state; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1318, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative White.

SCRep. 229 Tourism on H.B. No. 673

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

Your Committee received testimony as follows:

1. Hawaii Winter Baseball League, in support; and
2. Department of Business, Economic Development and Tourism, in comment.

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 in Korea and Taiwan, two major developing markets, and many successful players in Japan have played in Hawaii, drawing media attention in Japan to the Hawaii league.

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. Adding a provision requiring matching funds in a ratio of 3 to 1, private to state; and
2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 673, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 673, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative White.

SCRep. 230 Tourism on H.B. No. 662

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for the Aloha Festivals.

Your Committee received testimony in support of this bill from Department of Business, Economic Development, and Tourism, one individual member of the Maui County Council, Aloha Festivals, Reinwald O'Connor and Playdon, Waikiki Beachcomber Hotel, Hawaii Hotel Association, Hilton Hawaiian Village, Bishop Museum, Outrigger Enterprises, and one private individual.

Your Committee finds that the Aloha Festivals started as a visitor promotion, but has taken on a greater significance as a local event and a celebration of Hawaiian culture. The nationally televised parade showcases Hawaii's unique pageantry on television screens across America during the Macy's Thanksgiving parade special, giving priceless media exposure that promotes travel to Hawaii.

Your Committee revised the bill by:

1. Adding a provision requiring matching funds in a ratio of 3 to 1, private to state; and
2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 662, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 662, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

SCRep. 231 Tourism on H.B. No. 236

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for tourism development by Destination Hilo.

Your Committee received testimony as follows:

1. Destination Hilo, in support; and
2. Department of Business, Economic Development, and Tourism, in comment.

Your Committee finds that Destination Hilo fills an important role by developing programs that stimulate economic activity in a region that has tremendous need for promotion. In addition, some of the programs fall in the education tourism niche, which has been identified as an important segment of the visitor industry, with great potential for future growth.

Your Committee revised the bill by:

1. Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill;
2. Adding a provision requiring matching funds in a ratio of 3 to 1, private to state; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 236, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

SCRep. 232 Tourism on H.B. No. 1932

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

Your Committee received testimony in support of this bill from Department of Business, Economic Development and Tourism, Department of Education, University of Hawaii School of Travel Industry Management, Visitor Industry Education Council, Jetour Hawaii, AAA Quality Services, Hawaii Hotel Association, Hilton Hawaiian Village, Media Matters, and Outrigger Enterprises.

Your Committee finds that the Visitor Industry Education Council has a proven record of effective work in developing informational materials and organizing events to increasing awareness of the importance of the visitor industry and the wide range of occupational/professional opportunities in the field, in conjunction with educators, business groups and government agencies.

Your Committee revised the bill by:

1. Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill;
2. Adding a provision requiring matching funds in a ratio of 3 to 1, private to state; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1932, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1932, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

SCRep. 233 Judiciary on H.B. No. 1393

The purpose of this bill is to increase the salaries of the supreme court justices, intermediate appellate court judges, circuit court judges, and district court judges.

Your Committee received testimony in support of the judicial salary increases from the Dean of the William S. Richardson School of Law at the University of Hawaii, the Hawaii State Bar Association, Consumer Lawyers of Hawaii and from other prominent attorneys and doctors in the community.

Your Committee finds that our judges and justices have not received a salary increase since 1990. Hawaii is the only state in the nation which has not increased the salary of its judges at least once in these seven years. In fact, all but four of the states have increased their judge's salaries twice in this time. As a consequence, Hawaii's judicial salaries are below the national median at every judicial level. If judicial salaries are adjusted for the cost of living in Hawaii, our justices and judges' rank falls to 47th among fifty states. At the federal level, it is notable that the lowest paid federal magistrate makes \$28,132 more than our Chief Justice.

Retaining our talented and seasoned jurists has become increasingly difficult as their salaries have fallen so behind those of their colleagues around the nation, on the federal bench, and in the private sector. Since 1992, eight experienced

judges have left Hawaii's bench and three of these have left in the last four months; almost all of these judges left for higher paying positions.

Most collective bargaining units and other state and county government officials have had pay increases while our judges and justices have gone without. In fact, since 1990, the year when Hawaii's judges last received a salary increase, professionally-categorized State government employees have seen their incomes rise up to 30.63 percent. Public school teachers, unit-13 professional and scientific employees; and University of Hawaii administrative, professional and technical employees have received salary increases averaging over 4 percent each year since 1990. Had judicial salaries kept pace with these rates of increase, Hawaii's circuit court judges, for example, would be earning \$109,804 annually rather than their present salary of \$86,780.

It appears that many state and county employees will receive another pay raise this year. Had judges and justices been treated the same as these other public servants there would be no need for a judicial salary increase now. The most recent report of the Judicial Salary Commission recommends a fifteen percent increase for judges and justices, five percent retroactive to July 1, 1996, and five percent in each of the next two fiscal years.

Your Committee finds that our judges and justices deserve the salary increases they have requested and unanimously supports this bill. We are, however, aware of the State's budget difficulties and the need to temper any increase in expenses. Consequently, although this bill is passed out without inserting dollar figures to specify exact salary increase amounts, your Committee proposes that, at a minimum, salary increases of four percent each year over the next three years be approved. Note also that the bill makes no provision for retroactive salary increases but does set increased salary levels for three consecutive years as follows:

Position Title	Current Salary	1997 Salary	1998 Salary	1999 Salary
Supreme Court				
Chief Justice	94,780	98,571	102,514	106,614
Associate Justice	93,780	97,531	101,432	105,490
Intermediate Court of Appeals				
Chief Judge	91,280	94,931	98,728	102,678
Associate Judge	89,780	93,371	97,106	100,990
Circuit Courts				
Judge	86,780	90,251	93,861	97,616
District Courts				
Judge	81,780	85,051	88,453	91,991
Family Courts				
Judge	81,780	85,051	88,453	91,991
Per Diem Judges (DC)				
	81,780	85,051	88,453	91,991

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1393, HD 1, and be referred to the Committee on Finance.

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

SCRep. 234 Judiciary on H.B. No. 1381

The purpose of this bill is to allow the supreme court, through adoption of rules, to set certain tax appeal court fees.

Your Committee received testimony in support of this bill from the Administrative Director of the Courts, State Judiciary.

Your Committee finds that there has been no increase in the fees charged to those filing appeals to the tax appeal court since 1933 when the first tax appeal case was filed. The Judiciary currently collects \$3.00 in small claims cases and \$5.00 in appeal cases. This bill will allow the supreme court to adjust filing fees as needed in a more timely manner.

Your Committee has amended the bill to set a maximum fee for small claims filings of \$25 and a maximum fee of \$100 for filings in the tax appeal court. Your Committee finds that these are the present filing fees for civil cases according to sections 607-4 and 607-5, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1381, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1381, HD 1, and be referred to the Committee on Finance.

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

SCRep. 235 Judiciary on H.B. No. 1388

The purpose of this bill is to authorize the court to impose an interest penalty of ten percent per year on all outstanding traffic citations and judgments.

A district court judge and other representatives of the State Judiciary testified in support of this bill. There was no testimony in opposition to the bill.

Your Committee finds that a post-conviction/post-judgment interest penalty of ten percent would serve two purposes. First, it would encourage timely payment of debts owed, and second, it would sanction non-payment or overdue payments. The rate of interest recommended conforms to the current statute regarding interest penalties in civil cases, section 478-3, Hawaii Revised Statutes, and refers to simple interest which is compounded annually. The interest penalties collected would be deposited into the State general fund.

Your Committee amended this bill to allow judges the discretion to waive the interest penalty where circumstances warrant.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1388, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1388, HD 1, and be referred to the Committee on Finance.

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

SCRep. 236 Health on H.B. No. 1824

The purpose of this bill is to provide that the chief executive officer of the Hawaii Health Systems Corporation (HHSC), or designee of the chief executive officer, may appoint, exempt from chapters 76,77 and 89, hospital administrators, assistant administrators, directors of nursing and medical directors. The bill further provides that existing hospital administrators, assistant administrators, directors of nursing and medical director positions within the HHSC that are subject to chapters 76 and 77 shall be converted to exempt position status.

Your Committee received testimony from HHSC in support of this measure, and testimony opposing this measure was received from the Hawaii Government Employees Association(HGEA).

Your Committee finds from the testimony presented that this bill will bring the management powers of the HHSC into line with industry standards and enhance the functionality of the system.

Your Committee has amended the bill by:

- (1) Excluding the director of nursing positions; and
- (2) Providing that hospital administrators and assistant administrators appointed before July 1, 1983 shall maintain their permanent civil service status as provided in Chapters 76 and 77, 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 is in accord with the intent and purpose of H.B. No. 1824, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1824, HD 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee.

SCRep. 237 Health on H.B. No. 1841

The purpose of this bill is to streamline state Health Planning and Development Agency (SHPDA) functions to allow SHPDA to evolve from an agency designated for a fee-for-service health care environment to an agency that is adaptable to a managed care environment.

The State Health Planning and Development Agency; the Waianae Coast, Central Oahu, Hawaii County, Windward Oahu, Kauai County, and Tri-Isle Subarea Health Planning Councils of the Hawaii State Health Planning and Development Agency; the Queen's Health Systems; the Hawaii State Primary Care Association; the Healthcare Association of Hawaii; Straub Hospital; the Hawaii Government Employees Association; the Hawaii Nurses' Association; the Hawaii Statewide Coordinating Council; Kapiolani Health; the Kuakini Health System; Wahiawa General Hospital; and two concerned individuals submitted testimony in support of this measure. The Hawaii Medical Service Association submitted testimony in general support of this measure, but recommended amendments.

Your Committee has amended this measure by:

- (1) Exempting equipment primarily invented and used for research purposes from certificate of need requirements to avoid having a potentially costly element slip through unchecked; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1841, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1841, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Pendleton and Whalen.

SCRep. 238 Education and Higher Education on H.B. No. 618

The purpose of this bill is to prevent violence in society by, among other things:

- (1) Creating a pilot violence prevention project to educate students about violence and to teach them violence prevention skills; and
- (2) Establishing a mechanism to fund the violence prevention project.

Testimony in support of the intent of the bill was submitted by the Department of Education, the Department of Health, the Hawaii State Commission on the Status of Women, the Domestic Violence Clearinghouse and Legal Hotline, the Sex Abuse Treatment Center, the Hawaii State Coalition Against Sexual Assault, the Hawaii State Coalition Against Domestic Violence, a number of other private agencies, and several individuals. The state Attorney General submitted comments on the bill.

It is disheartening that violence in communities across the State is increasing. Action needs to be taken once violence occurs. However, the most effective way to address this problem is to educate children about the causes of violence and to teach them the skills necessary to prevent violence. This approach averts the suffering resulting from violence and is less costly in the long run.

While this bill embraces the proper approach to addressing the problem of violence, concerns have been raised about the funding mechanism. Your Committees encourage the succeeding committees to which this bill is referred to consider additional funding sources. For example, certain fines of our court system could be increased and diverted to fund the project. In addition, a portion of marriage license fees could also be directed to the trust fund.

Your Committees have amended the bill by:

- (1) Removing the requirement that the Attorney General adopt rules pursuant to Chapter 91, Hawaii Revised Statutes, to implement the Violence Prevention Coordination Program, and instead making this optional;
- (2) Removing dollar amounts for each appropriation and inserting blank amounts to facilitate further discussion;
- (3) Transferring the statutory mechanism for creating the School-based Violence Prevention Integration Pilot Project and the School-based Violence Prevention Plan Trust Fund to the Session Laws because of the temporary nature of the provisions;
- (4) Adding a sunset date of June 30, 2000 for the entire bill; and
- (5) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 618, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 618, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Arakaki, Santiago, Takamine, Takumi and McDermott.

SCRep. 239 Education on H.B. No. 1905

The purpose of this bill is to allow the Department of Education (DOE) to rehire teachers who took advantage of the Early Retirement Incentive Program so that they may teach in shortage areas and in hard-to-staff schools.

DOE submitted testimony in support of the bill. The Hawaii State Teachers Association agreed with the concept of the bill. The Employees' Retirement System and the Hawaii Congress of Parents, Teachers, and Students submitted comments on the bill.

While supporting the bill, DOE offered recommendations for amending it. Your Committee agrees with most of these recommendations, but is concerned about the recommendation that rehired teachers receive a salary of \$35,000 per year. Your Committee understands that retired teachers in the non-contributory retirement plan receive a pension of \$15,000 per year, and those in the contributory retirement plan receive a pension of \$24,000 per year. Your Committee believes that a substantial number of retired teachers would be attracted even if the recommended \$35,000 annual salary was reduced.

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

- (1) Deleting that rehired teachers may be placed in hard-to-staff schools;
- (2) Specifying the benefits that rehired teachers are prohibited from receiving;
- (3) Excluding rehired teachers from collective bargaining;
- (4) Specifying that rehired teachers be hired as temporary employees on a year-to-year basis;
- (5) Stating an unspecified amount for the salary of a rehired teacher for purposes of continued discussion;
- (6) Adding a sunset date of June 30, 2000; and

(7) Making technical, nonsubstantive revisions 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 H.B. No. 1905, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1905, HD 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takamine and McDermott.

SCRep. 240 Higher Education on H.B. No. 249

The purpose of this bill is to effectuate its title.

H.B. No. 249 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the action to report out H.B. No. 249, as amended herein, and recommends that it be recommitted to the Committee on Higher Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 249, HD 1.

Signed by all members of the Committee except Representatives Morita, Takumi, Yonamine, Halford and McDermott.

SCRep. 241 Culture and the Arts on H.B. No. 973

The purpose of this bill is to support culture and the arts.

H.B. No. 973 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the action to report out H.B. No. 973, as amended herein, and recommends that it be recommitted to the Committee on Culture and the Arts, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 973, HD 1.

Signed by all members of the Committee except Representative Takumi.

SCRep. 242 Finance on H.B. No. 173

The purpose of this bill is to ensure that all moneys collected by a county liquor commission are used only for expenses directly relating to the liquor commission's operation and administration.

The Departments of Liquor Control of Maui and Kauai, the Hawaii Hotel Association, the Maui Hotel Association, and the Retail Liquor Dealers Association testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 173 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 Abinsay, Chang and Meyer.

SCRep. 243 Finance on H.B. No. 364

The purpose of this bill is to extend the investment option of the State to include government-sponsored student loan securities such as student loan auction rate securities, student loan asset-backed notes, and student loan program revenue notes and bonds.

The Department of Budget and Finance testified in support of this measure. Smith Barney, Inc., commented on the measure.

Your Committee has amended this bill by placing its provisions into Section 36-21, Hawaii Revised Statutes, (HRS), which identifies the types of securities that are allowable for investments by the State Treasury rather than in Section 38-3, HRS, which identifies securities acceptable for collateral purposes to protect State deposits.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 364, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 364, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Abinsay, Chang and Meyer.

SCRep. 244 Finance on H.B. No. 1641

The purpose of this bill is to amend the law relating to the collection of delinquent taxes by:

- (1) Authorizing the Director of Taxation (Director) to contract with auditing firms to examine and investigate taxpayers for the determination of their tax liabilities arising from Hawaii source income;
- (2) Expanding the Director's authorization to pursue delinquent out-of-state taxpayers; and
- (3) Authorizing the Director to compensate entities contracted to provide the services in paragraphs (1) and (2), on a fixed price basis, an hourly rate basis, or a contingent fee basis.

The Department of Taxation testified in support of this measure. The Tax Foundation of Hawaii and a concerned individual commented on the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1641 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Fox.

SCRep. 245 Finance on H.B. No. 1642

The purpose of this bill is to authorize the Department of Taxation (Department) to allow for electronic, telephonic, or optical filing of tax returns.

The Department testified in support of this measure. The Tax Foundation of Hawaii commented on the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1642 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Fox.

SCRep. 246 Finance on H.B. No. 1646

The purpose of this bill is to provide emergency funding for the new integrated tax information management systems.

Your Committee received a message from the Governor, dated January 31, 1997:

- (1) Stating that due to a technical error the Department of Taxation was unable to use funds already appropriated and that these funds are necessary for the current fiscal year; and
- (2) Requesting the Legislature for immediate passage of this bill to allow the Department of Taxation to move forward on its systems acquisition project.

The Department of Taxation testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1646 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 247 Finance on H.B. No. 1648

The purpose of this bill is to authorize the Department of Taxation (Department) to permit the use of credit or debit cards for remittances to the Department. The bill also allows the Department to charge a service fee for the use of these cards.

The Department testified in support of this measure. The Tax Foundation of Hawaii commented on the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1648, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 248 Public Safety and Military Affairs and Judiciary on H.B. No. 1635

The purpose of this bill is to clarify the standards of the Department of Public Safety in making criminal history record checks on its staff members and prospective staff members.

The Department of Public Safety submitted testimony in support of this bill.

Your Committees find that the clarification proposed by this bill is necessary to conform Section 353C-5, Hawaii Revised Statutes, with Section 710-1063, Hawaii Revised Statutes, relating to unsworn falsification to authorities. The original text of Section 353C-5, Hawaii Revised Statutes, requires staff members and prospective staff members to submit a statement under penalty of perjury indicating whether they were ever convicted of a crime other than a minor traffic violation involving a fine of fifty dollars or less. However, the Department of Public Safety does not hold any official proceedings regarding criminal history statements in which a staff member or applicant is required to take an oath. To correct this problem, the bill requires that every staff member and prospective staff member shall submit a criminal history statement under penalty of unsworn falsification to authorities.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1635 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 Hiraki and Menor.

SCRep. 249 Agriculture on H.B. No. 1580

The purpose of this bill is to make several housekeeping amendments to the Quarantine Law. These amendments:

- (1) Clarify that protozoans are defined as microorganisms;
- (2) Include provisions for importing unlisted organisms for medical, agricultural, and environmental emergencies and for medical research; and
- (3) Clarify that violation of permit conditions for unlisted organisms constitutes a violation of the section.

The Department of Agriculture submitted testimony in strong support of the bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1580 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Herkes.

SCRep. 250 Consumer Protection and Commerce and Judiciary and Finance on H.B. No. 100

The purpose of this bill is to provide necessary and much needed relief to Hawaii's beleaguered consumers from unacceptably high motor vehicle insurance premiums by attacking the major cost drivers that contribute to the high cost of motor vehicle insurance in Hawaii while concurrently ensuring the public's health, safety, and welfare.

The basic intent of this bill is to repeal Hawaii's no-fault motor vehicle law and implement a fairer, less expensive motor vehicle insurance system.

Specifically, the bill would, among other things:

- (1) Require a twenty-five to thirty-five percent rate reduction in motor vehicle insurance premiums;
- (2) Implement a preferred repair provider program for the repair of damaged motor vehicles to reduce physical damage expenses in property damage, collision, and comprehensive coverages;
- (3) Allow the use of like kind and quality aftermarket parts to reduce physical damage expenses for property damage, collision, and comprehensive coverages;
- (4) Strengthen laws relating to motor vehicle theft and use of stolen parts to reduce automobile insurance losses;
- (5) Eliminate the medical-rehabilitative threshold which serves as a major cost driver for both medical expenses and bodily injury liability coverages;
- (6) Repeal the Peer Review Organization (PRO) system, which has become expensive and time consuming, and has resulted in litigation between insureds and their insurance companies;
- (7) Require the court to reduce awards by \$5,000 whenever there is a tort liability recovery for accidental harm, whether by suit, arbitration, or settlement, if at least ninety percent of all Hawaii policyholders receive a premium rate reduction of no less than twenty-five to thirty-five percent;
- (8) Prohibit attorneys, health care providers, and suppliers of goods and services from committing unfair or deceptive acts;
- (9) Allow the Supreme Court to regulate the competency of attorneys representing injured victims or defendants in personal injury actions arising out of motor vehicle accidents;
- (10) Provide consumers a choice in selecting medical and disability benefit options;
- (11) Require that medical payments benefits be used within one year;

- (12) Allow group insurance plans to be offered to allow group purchasing of motor vehicle insurance at lower premiums;
- (13) Strengthen the Insurance Commissioner's authority to regulate and reduce rates;
- (14) Require fraud investigation and prosecution;
- (15) Provide amnesty for uninsured motorists who have not been able to purchase motor vehicle insurance because of financial inability, rather than because of a poor driving record; and
- (16) Provide less harsh legal penalties against people who may be unable to afford motor vehicle insurance due to temporary financial hardship, rather than because of a poor driving record.

Your Committees received voluminous testimonies regarding this bill. The following is a list of some of the testimonies received by your Committees:

- (1) Supportive testimony of the bill or its intent was received from, among others: the Department of Commerce and Consumer Affairs, the Consumer Lawyers of Hawaii, Hawaii Women Lawyers, and the Good Drivers' Coalition;
- (2) Testimony opposing the bill or specific provisions of the bill was received from, among others: the Hawaii Independent Insurance Agents Association, the Hawaii Medical Association, State Farm Insurance Companies, the Government Employees Insurance Company (aka GEICO), and Alamo Rent A Car, Inc.; and
- (3) Comments on the measure was received from, among others: the Hawaii Insurers Council and the National Federation of Independent Business/Hawaii.

Although Hawaii has consistently been ranked at the top of all states in premium rates for motor vehicle insurance, it has been reported that Hawaii insurers enjoyed an eighteen percent profit margin in 1995. This was reportedly the second highest profit margin in 1995 among all states.

Your Committees find that continuing attempts to provide consumers with relief by modifying the present no-fault system has resulted in unacceptable limitations and additional bureaucracy that undermine the purpose for its very existence. Testimony has indicated that as a result, the trend nationwide has been the repeal of no-fault insurance in many states that adopted it. Many of these states have had a positive rate experience following repeal of their no-fault law.

Before passing any motor vehicle insurance reform measure, your Committees believe that the reforms must provide consumers with meaningful and realistic premium relief. Additionally, your Committees believe that any reform measure that mandates a rate reduction such as contained in this bill, must be actuarially justifiable and defensible. Your Committees find it encouraging that the Insurance Division in the Department of Commerce and Consumer Affairs has performed a cost analysis of the administration's bill (H.B. No. 1849) which is very similar to this measure, and has indicated that the State's actuary feels comfortable in actuarially defending the proposed mandated rate reduction.

After carefully considering the merits of the measure and the voluminous testimonies received, your Committees have amended the bill by, among other things:

- (1) Deleting the provision that requires at least ninety percent of all Hawaii policyholders to receive a rate reduction of no less than twenty-five to thirty-five percent for the reduction of award provision to be effective;
- (2) Applying the prohibition against unfair or deceptive acts to insurers. As received by your Committees, this provision only applied to attorneys and providers. The inclusion of insurers in this provision will clarify that unfair or deceptive acts are prohibited for all those involved in the motor vehicle insurance process;
- (3) Allowing defendants in motor vehicle insurance claims to request arbitration. As received by your Committees, the arbitration provision allowed only claimants to request arbitration. This will expand the potential use of arbitration, rather than litigation, to resolve disputes arising out of motor vehicle accidents;
- (4) Making medical payments coverage of at least \$3,000 per person mandatory and higher coverages optional. Businesses have expressed concerns that a total elimination of medical coverage from motor vehicle insurance will result in a substantial cost shift to employer funded pre-paid health insurance. Your Committees believe that the \$3,000 amount is appropriate as it is sufficient to cover medical expenses in many cases, while remaining at a low enough level to still generate significant savings. Additionally, because pre-paid health insurance already covers the estimated twenty-five percent of uninsured motorists and all motorcycles and motor scooters that are not currently required to carry no-fault insurance, it is anticipated that the lowering of motor vehicle insurance premiums will allow many who are currently uninsured to purchase insurance. This in turn will help businesses by shifting health care costs of uninsured motorists from pre-paid health insurance back to motor vehicle insurance;
- (5) Reducing the minimum liability coverage to \$15,000 per person with an aggregate of \$30,000 per accident. This will lower the minimum amount of required insurance, while still allowing those desiring higher coverages to purchase optional higher limits;
- (6) Retaining the provision that allows awarding reasonable attorney's fees and costs of suit in actions brought by or against an insurer who denies all or part of a claim for benefits;

- (7) Requiring that mandated rate reductions be reflected in a clear manner in premium billings for policies issued, renewed, or delivered;
- (8) Clarifying that the required rate reduction is based on the minimum coverages for personal injury protection, bodily injury, property damage, uninsured motorist coverage, and underinsured motorist coverage rates;
- (9) Clarifying the situations in which U-Drive motor vehicle insurance policies may become secondary to the renter's motor vehicle insurance policy; and
- (10) Making technical, nonsubstantive revisions for purposes of style, clarity, and consistency.

Your Committees feel that the approach to reforming Hawaii's motor vehicle insurance system contained in this bill represents a balance between the right of those who sustain legitimate injuries to hold the responsible party liable, with the need to reduce the cost of motor vehicle insurance premiums.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Finance that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 100, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 100, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representative Jones.
(Representative Kanoho voted no.)

SCRep. 251 Education and Higher Education on H.B. No. 136

The purpose of this bill is to appoint:

- (1) The Superintendent of Education, or designee, as an ex officio nonvoting member of the University of Hawaii Board of Regents (BOR); and
- (2) The President of the University of Hawaii (UH), or designee, as an ex officio nonvoting member of the Board of Education (BOE).

Comments were received by your Committees from the University of Hawaii and the Board of Education.

Your Committees find that Hawaii should develop an integrated kindergarten through sixteen educational system and that placing the Superintendent of Education on the BOR and the UH president on the BOE as ex officio nonvoting members will:

- (1) Increase cooperation between the Department of Education and the UH;
- (2) Lead to an integrated vision of student and curriculum development; and
- (3) Better serve the needs of our community and prepare our students for the future.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 136 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 252 Education and Higher Education on H.B. No. 135

The purpose of this bill is to propose amendments to Article X, sections 2 and 6 of the Constitution of the State of Hawaii to provide for:

- (1) The appointment of the president of the University of Hawaii(UH), or a designee, as an ex officio nonvoting member of the board of education(BOE); and
- (2) The appointment of the superintendent of education, or a designee, as an ex officio nonvoting member of the board of regents(BOR).

Comments were received by your Committees from the University of Hawaii and the Board of Education.

Your Committees find that Hawaii should develop an integrated kindergarten through sixteen educational system and that placing the Superintendent of Education on the BOR and the UH president on the BOE as ex officio nonvoting members will:

- (1) Increase cooperation between the Department of Education and the UH;
- (2) Lead to an integrated vision of student and curriculum development; and
- (3) Better serve the needs of our community and prepare our students for the future.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 135 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 253 Education and Higher Education on H.B. No. 294

The purpose of this bill is to appropriate matching funds to establish, develop, and operate the Center for Teacher Education (Center) at the University of Hawaii (UH).

Testimony in support of the bill was submitted by UH, the Department of Education, the Hawaii School University Partnership, Pearl Ridge Elementary School, and an individual. The Hawaii State Teachers Association supported the intent of the bill.

The Center was established by the Legislature in 1994 to create a link between the public schools and teacher education programs at the University of Hawaii to ensure that teacher education is focused on the needs of the diverse student populations found within the public school system. This bill funds the Center, on the condition that this appropriation is matched dollar-for-dollar by the National Network for Education Renewal.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 294 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, Santiago, Takamine, Takumi and McDermott.

SCRep. 254 Education and Higher Education on H.B. No. 596

The purpose of this bill is to increase educational opportunities for residents of the Big Island by appropriating funds to establish a master's degree program in education at the University of Hawaii at Hilo.

Supportive testimony was submitted by the University of Hawaii, the Hawaii County Council, and the Department of Education.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 596 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, Santiago, Takamine, Takumi and McDermott.

SCRep. 255 Education and Higher Education on H.B. No. 1007

The purpose of this bill is to:

- (1) Establish a voluntary \$10 income tax checkoff to allow taxpayers to dedicate \$5 to a lower education fund and \$5 to a higher education fund in addition to any tax liability owed to the State. Those taxpayers filing joint returns may each designate that \$10 be deposited to the lower or higher education funds; and
- (2) Establish that the lower and higher education funds are to be administered by the Superintendent of Education and the chairperson of the Board of Regents, respectively, and that:
 - (A) The Department of Education (DOE) and Board of Regents (BOR) shall not expend more than one per cent of the moneys in the respective funds for operating expenses and overhead in any fiscal year; and
 - (B) Revenues received by the DOE and BOR pursuant to the respective funds shall not be used by the Governor or the Director of Finance as a justification for reducing any budget request or allotment to the Department of Education or Board of Regents.

Your Committees received testimony from the University of Hawaii, the Department of Education, the Hawaii State teachers Association. Testimony from students attending the University of Hawaii and Honolulu Community College supported this measure. Testimony from the Department of Taxation and the Tax Foundation of Hawaii opposed this measure.

Your Committees have amended the bill by providing that the higher education fund created by the bill shall be administered by the Board of Regents rather than the chairperson of the Board of Regents.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1007, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1007, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Santiago, Takamine, Takumi and McDermott.

SCRep. 256 Education on H.B. No. 1115

The purpose of this bill is:

- (1) To develop, implement, and maintain a comprehensive educational assessment and accountability system for Hawaii public education; and
- (2) To provide an appropriation for the development phase.

The Hawaii Congress of Parents, Teachers, and Students submitted testimony in support of this bill. The Department of Education submitted testimony concurring with the intent and purpose of this bill.

The Department of Education informed your Committee that \$1.6 million is needed to develop the system proposed by this bill. Your Committee believes that the amount of the appropriation specified in this bill should be determined by the Committee on Finance. Accordingly, your Committee did not amend the appropriation of \$1 for each fiscal year.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1115 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 257 Education on H.B. No. 128

The purpose of this bill is to:

- (1) Appropriate funds for one full-time professional position for the school/community-based management (SCBM) program; and
- (2) Require the resumption of publication of "The SCBM Forum", the periodic bulletin of the SCBM program, and its distribution to all public schools.

The Hawaii State Teachers Association testified in support of this measure. Comments were received from the Department of Education indicating it supported the intent of the bill.

Your Committee finds that the SCBM program has provided participating schools with a vehicle upon which to build the support and capacity needed for real improvement. Your Committee, by providing funding for the publication of the SCBM's bulletin, reaffirms its commitment to the SCBM program.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 128 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 258 Education on H.B. No. 1023

The purpose of this bill is to:

- (1) Allow students in grades seven through twelve to participate in the annual conference of secondary school students;
- (2) Authorize the Student Conference Committee to determine the conference format; and
- (3) Increase the number of students on the Student Conference Committee from sixteen to twenty-four.

Your Committee finds that this measure will expand student input and involvement at the annual conferences, thereby permitting student delegates to address the concerns and issues of the greatest importance to them. Your Committee further finds that conference participation by students in grades seven and eight will provide greater continuity for future conferences and also permit preventive action to be taken at a younger age.

The Department of Education and a high school senior submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1023 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 259 Hawaiian Affairs on H.B. No. 1474

The purpose of this bill is to:

- (1) Prohibit the sale, assignment, or sublease of a lessee's interest;

- (2) Require that a parcel transferred but not used by the lessee be recovered by the Department of Hawaiian Home Lands (DHHL) for subsequent award to the next qualified applicant; and
- (3) Provide lessees whose parcels are recovered by DHHL the opportunity to recover the costs and appreciated value of constructed improvements excluding the land and infrastructure values.

The Native Hawaiian Legal Corporation submitted testimony in support of the intent of this measure. The Department of Hawaiian Home Lands submitted testimony in opposition to this measure.

Your Committee recognizes the intent of the Hawaiian Homes Commission Act of 1920, as amended, to empower native Hawaiians to make decisions on the use of their homestead assets as allowed under the law. Further, your Committee understands that there are legitimate situations in which lease transfers should be permitted such as transfers to family members to keep the property in the family.

However, your Committee is aware of the practice of selling homestead leases to persons regardless of their status as family members or their presence or ranking on the waiting list. While this may generally be permitted of non-homestead residential lessees, the difference in the case of homestead leases is the extensive waiting list for awards.

The free alienability of homestead leases subverts the waiting list process and fosters potential claims by waiting list beneficiaries. Therefore, this measure seeks to prevent the lessees of DHHL from circumventing the waiting list award process by conveying their DHHL leasehold interests for profit.

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

- (1) Allowing a lessee to retain the ability to transfer the lease where legitimate circumstances warrant such action, while specifically prohibiting the selling of leases for compensation;
- (2) Deleting the requirement that a parcel transferred but not used by the lessee be recovered by the Department of Hawaiian Home Lands (DHHL) for subsequent award to the next qualified applicant;
- (3) Deleting the provision that allows lessees whose parcels are recovered by DHHL the opportunity to recover the costs and appreciated value of constructed improvements excluding the land and infrastructure values; 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 that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1474, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1474, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 260 Health on H.B. No. 1839

The purpose of this bill is to make emergency appropriation to the Department of Health, Child and Adolescent Mental Health Division (CAMHD), for services provided to emotionally disturbed children and adolescents.

The Department of Health and the Mental Health Association in Hawaii submitted testimony in support of this measure.

Your Committee acknowledges that because of increased demands for CAMHD services, funds appropriated for fiscal year 1996-1997 will be depleted before the end of the current fiscal year. Your Committee recognizes that it is important that services not be discontinued or reduced, especially in consideration of the State's obligations under the Felix v. Waihee consent decree.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1839 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, Pendleton and Whalen.

SCRep. 261 Health on H.B. No. 2242

The purpose of this bill is to appropriate funds to the Department of Health to reimburse health care providers who make primary and preventive health care services available and accessible to the uninsured.

The Hawaii State Primary Care Association, Ke Ola O Hawaii, the Waianae Coast Comprehensive Health Center, the Hawaii Academy of Physician Assistants, the Hawaii Nurses' Association, the Waikiki Health Center, the Hamakua Health Center, the Kalihi-Palama Health Center, Healthy Mothers Healthy Babies Coalition of Hawaii, and Papa Ola Lokahi submitted testimony in support of this measure.

The Department of Health supported the intent of the bill.

Your Committee wishes to express that funding community health centers that are not currently funded by the federal Public Health Service, Section 330, should be the priority of the Department of Health when considering responses to request for proposals. Community health centers that are not currently funded under Section 330 include the Bay Family

Health Center, Community Clinic of Maui, Hamakua Health Center, Kalihi-Palama Health Center, and the Waikiki Health Center.

Your Committee has amended this bill by:

- (1) Expanding the ability to appropriate funds to health care centers via a request for proposal instead of limiting funding to specified Hawaii qualified health centers; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2242, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 262 Health on H.B. No. 427

The purpose of this bill is to end discrimination in health insurance coverage for persons with mental illness by mandating that insurance coverage for mental illness shall be no less extensive than that for all other medical illnesses.

Your Committee finds from the considerable amount of testimony received concerning this bill that providing equal insurance coverage:

- (1) Is good public policy;
- (2) Will diminish the need for other kinds of medical care;
- (3) Will increase productivity to businesses; and
- (4) Will reduce the burden on government services.

Your Committee agrees with the intent of this bill to provide equal insurance coverage for mental illness and other medical illnesses. Your Committee has been informed that the various affected parties are meeting to discuss appropriate language to resolve differences with a view to propose and submit revised language for the bill to the committee next considering 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 H.B. No. 427 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 263 Health on H.B. No. 1864

The purpose of this bill is to:

- (1) Require applicants for an acupuncture license to graduate from an acupuncture school that is accredited by a government agency or recognized as a candidate for accreditation; and
- (2) Delete outdated and unnecessary requirements.

The State Board of Acupuncture submitted testimony in support of this measure and provided amendments. The Traditional Chinese Medicine College of Hawaii submitted comments on this measure.

The intent of this bill to implement the recommendations of the Legislative Auditor. Your Committee is concerned that a Legislative Auditor's report has not been updated since 1987.

Your Committee has amended this measure by:

- (1) Correcting the total number of clinical training hours required by replacing 900 hours with 600 hours; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1864, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1864, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Arakaki, Pendleton and Whalen.

SCRep. 264 Health on H.B. No. 979

The purpose of this bill is to amend the cigarette excise tax by:

- (1) Increasing the tax from 3.00 cents per cigarette to 5.00 cents per cigarette; and

- (2) Providing for increases in the tax rate based upon cost-of-living adjustments.

The Department of Health, the Department of Taxation, the American Lung Association of Hawaii, the American Cancer Society Hawaii Pacific Division, Inc., the American Heart Association-Hawaii Affiliate, the Hawaii Medical Association, and the Hawaii Nurses' Association submitted testimony in support of this bill. The Tobacco Institute and a private individual submitted testimony in opposition to this bill.

The Department of Budget and Finance submitted testimony supporting the intent of this bill, but recommended that the proposed addition of section 245-3(b)(3), Hawaii Revised Statutes, be deleted. Your Committee disagrees with the Department of Budget and Finance's recommendation because the addition of the new subsection clearly states the intention of this bill to require that a three percent of the cigarette excise tax, at a minimum of \$500,000, be used for tobacco prevention, education, control, and tobacco-related disease prevention activities.

Your Committee has amended this bill by:

- (1) Deleting the provisions relating to tax increases based upon cost-of-living adjustments;
- (2) Specifying that three percent of the total revenue from the cigarette excise tax, with a minimum of \$500,000, be dedicated to the Department of Health for tobacco prevention, education, control, and tobacco-related disease prevention activities;
- (3) Appropriating the sum of \$500,000 to the Department of Health for tobacco prevention, education, control, and tobacco-related disease prevention activities; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 979, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.
(Representative Stegmaier voted no.)

SCRep. 265 Public Safety and Military Affairs on H.B. No. 661

The purpose of this bill is to appropriate funds for financial assistance to the State Office of Veterans Services for the burial expenses of Filipino veterans who served the United States in World War II, by appropriating:

- (1) Emergency funds for 1996-1997; and
- (2) Funds for fiscal year 1997-1998.

The Director of the Office of Veterans Services and members of the WW II Fil-Am Veterans, Hawaii Chapter, testified in support of this measure.

Your Committee has amended the bill to:

- (1) Clarify that the request for appropriation is for fiscal year 1997-1998 rather than an emergency appropriation request for fiscal year 1996-1997, which must be requested by the Governor in accordance with Article VII, section 9, of the Constitution of the State of Hawaii; and
- (2) Make technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 661, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 266 Energy and Environmental Protection on H.B. No. 1667

The purpose of this bill is to:

- (1) Establish a lead paint hazard abatement program within the Department of Health (DOH);
- (2) Create a lead abatement special fund, which will partially fund the program's operating costs, fund statewide education and outreach programs, and provide for accrediting training programs;
- (3) Authorize the DOH to implement accreditation of lead inspectors, risk assessors, abatement workers, supervisors, and project designers who perform lead abatement activities in residential dwellings and child-occupied facilities; and
- (4) Provide for the inspection of premises, monitoring, and penalties.

Testimony in support of this bill was received from the DOH. No testimony in opposition to this bill was received.

Your Committee finds that lead is one of the most serious environmental health problems affecting children. Most cases of lead poisoning in Hawaii and in the nation can be traced to exposure to lead-based paint and lead-contaminated dust in the home and in areas where children frequent.

Thus, your Committee believes that this bill furthers the public interest by protecting the public, particularly children, from the adverse effects of lead exposure.

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

- (1) Clarifying in section -4(h) that the public notice relating to variance applications shall disclose the address of the premises for which the variance is sought, regardless of whether it is a residential or business address;
- (2) Deleting the provision in section -5 which protects from disclosure "confidential information" obtained pursuant to an inspection of premises, as investigative reports are protected from disclosure under the Uniform Information Practices Act (UIPA), chapter 92F, Hawaii Revised Statutes (HRS), in section 92F-13;
- (3) Deleting in section -51 the provision protecting from public disclosure "information of a confidential nature concerning secret processes or methods of manufacture," as this information is protected from disclosure under section 92F-13, HRS; and
- (4) Deleting in section -51 the provision imposing monetary fines for the DOH's disclosure of confidential information from inspections, as the UIPA in section 92F-17, HRS, provides for criminal penalties.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1667, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1667, HD 1, and be referred to the Committee on Judiciary.

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

SCRep. 267 Consumer Protection and Commerce on H.B. No. 1863

The purpose of the bill is to authorize the Department of Commerce and Consumer Affairs to assess fees for copies of consumer and business educational publications prepared or issued by the department, and to deposit those fees into the compliance resolution fund.

The Department of Commerce and Consumer Affairs (DCCA) testified in support of the bill. The Office of Information Practices (OIP) testified in opposition to the bill based upon its concern that the wording of the bill required fees to be based upon market value and, therefore, hindered public access to government information.

In its efforts to provide consumer and business education to the business community and the general public, DCCA prepares and publishes a wide variety of educational materials, including the Landlord-Tenant Handbook and Roadmaps to Complaints Resolution. The revenue derived from the sale of these publications is deposited into the general fund, although most of the publications' reproduction costs are paid out of the department's compliance resolution fund (CRF). Through this bill, DCCA seeks the authority to return some of the costs it incurs in preparing and reproducing educational materials to the CRF, and, thereby, enhance its efforts to be self-supporting.

Upon careful consideration, your Committee has amended the bill by requiring that the fees assessed for educational materials bear a reasonable relationship between the revenue derived from the fee and "the cost of producing the materials issued", rather than "the cost or value of services rendered". Technical amendments were also made to the bill for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1863, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1863, HD 1, and be referred to the Committee on Finance.

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

SCRep. 268 Consumer Protection and Commerce on H.B. No. 2328

The purpose of the bill is to repeal the sunset date for the energy conservation income tax credits.

Testimony in support of the measure was received from several concerned individuals and the following agencies, organizations and businesses: Department of Commerce and Consumer Affairs, Division of Consumer Advocacy, Department of Health, Department of Business, Economic Development, and Tourism, Hawaii Renewable Energy Alliance, Grand Solar, Inc., Sierra Club, Hawai'i Chapter, Hawaii Solar Energy Association, Pacific Solar, Affordable Solar Contracting, GSI Solar, Hawaiian Electric Company and its subsidiary utilities, and Inter-Island Solar Supply. The Department of Taxation testified in opposition to the bill. Comments on the measure were submitted by the Tax Foundation of Hawaii.

The continuation of the energy conservation income tax credits is important for several reasons. The tax credits help to make energy efficient systems more affordable for consumers. Since 1988, the average monthly electric bill for residential customers has increased between 64 and 76 percent, depending on the island. Therefore, it is important that consumers

continue to have available to them affordable energy efficient systems whose use will enable them to lower their electric costs.

Even those residents who do not claim the tax credits benefit economically by the reduced demand for electric power resulting from the use of renewable energy systems. The use of renewable energy slows the growth of the demand for electricity and defers the date when an additional generating plant must be installed to meet the increased demand. This, in turn, defers the rate increase that must be assessed against the utility's customers to pay for the additional plant.

The tax credits also benefit our state's economic growth by vitalizing the renewable energy industry and diversifying our economic base. The demand for energy efficient systems creates work for, among others, architects, mechanical and electrical engineers, and mechanical, plumbing, solar, heat pump and wind energy contractors. The income received by businesses and their employees generates tax revenues for our state.

Not least importantly, promoting the use of renewable energy systems such as solar energy, wind energy, heat pumps, and ice storage systems lessens the state's dependence on imported fossil fuels and reduces the incidence of air, water, and land pollution problems that accompany their use, such as emission of hydrocarbon combustion products and oil spills in our harbors and oceans.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2328, HD 1, and be referred to the Committee on Finance.

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

SCRep. 269 Consumer Protection and Commerce on H.B. No. 1675

The purposes of the bill are to require the licensing of hoisting machine operators and to establish a hoisting machine operators licensing board within the Department of Commerce and Consumer Affairs.

The Hawaii Operating Engineers Industry Stabilization Fund testified in support of the bill. The Department of Labor and Industrial Relations (DLIR) and the Department of Commerce and Consumer Affairs (DCCA) testified in opposition to the measure.

Currently, DLIR is responsible for enforcing the Hawaii Occupational Safety and Health rules. These rules require employers to ensure that hoisting machine operators have the necessary training and experience to safely operate hoisting machines through jobsite inspections and accident investigations. Further, by mid-1997, DLIR will be required under the federal Occupational and Safety Health Act to adopt a defective equipment "tag-out" rule to address the problem of the adequacy of leased equipment used at jobsites.

In view of DLIR's existing jurisdiction over hoisting machine safety, and its overall responsibility for employee and public safety in the workplace, your Committee finds no justification for establishing within DCCA a licensing board to regulate hoisting machine operators. Requiring two government agencies to regulate the same industry for work safety creates the risk of inconsistent or conflicting standards, and is duplicative and fiscally wasteful. Whether the goal is "licensure" or "certification", the regulation of hoisting machine operators is a matter that is properly addressed by the agency that currently oversees issues of hoisting machine safety, the DLIR.

Upon careful consideration, your Committee has amended the bill by replacing its contents with a provision requiring that DLIR regulate cranes, other hoisting machines, and their operators.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1675, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1675, HD 1, and be referred to the Committee on Finance.

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

SCRep. 270 Consumer Protection and Commerce on H.B. No. 1732

The purpose of the bill is establish a special fund within the state treasury to be used for the improvement and enhancement of the Bureau of Conveyances' (Bureau) computer system.

Testimony in support of the bill was received from the Department of Land and Natural Resources, the Judiciary, and Title Guaranty of Hawaii, Inc. The Hawaii Hurricane Relief Fund (HHRF) expressed qualified support for the bill.

Under the Bureau's existing computer system, Bureau staff and the general public are unable to gain immediate online access to recorded documents. The establishment of a special fund consisting of \$2 from each document recordation fee collected will enable the Bureau to improve and update its computer system allowing for online access throughout the state and expediting the recordation process.

Your Committee has amended the bill by clarifying that the special fund assessment will not apply to the HHRF special mortgage recording fee collected by the Bureau pursuant to section 431P-16, 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 H.B. No. 1732, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1732, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom, Yamane and Yoshinaga.

SCRep. 271 Consumer Protection and Commerce on H.B. No. 790

The purposes of the bill are to establish that:

1. A gift certificate or credit memo with an expiration date of less than five years is deemed abandoned property on its expiration date;
2. Gift certificates with no expiration date are excluded from the unclaimed property law;
3. Property declared abandoned under section 523A-14, HRS, shall not escheat to the State; and
4. "Gift certificate" as defined in section 523A-14, HRS, includes any writing for which the certificate issuer has received payment for the full face value of the certificate for future purchases, or delivery of goods or services.

The Retail Merchants of Hawaii, Liberty House, and Legislative Information Services of Hawaii, Inc., testified in support of the bill. The Office of Consumer Protection, Department of Commerce and Consumer Affairs, testified in opposition to the provision of the bill prohibiting abandoned gift certificates from reverting to the State by escheat.

Under the current law, a gift certificate or credit memo unclaimed by its owner is not presumed abandoned until more than five years after becoming payable. This measure provides that a certificate or memo with an expiration date of less than five years becomes abandoned property on its expiration date and precludes gift certificates with no expiration date from being deemed abandoned after five years.

Your Committee is not persuaded that gift certificates and credit memos should be treated differently from other types of intangible property, such as stock certificates, insurance proceeds and payroll checks, that escheat to the state upon abandonment. Therefore, it has amended the bill by deleting the provision that prohibits abandoned gift certificates from reverting to the State by escheat.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 790, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 790, HD 1, and be referred to the Committee on Finance.

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

SCRep. 272 Consumer Protection and Commerce on H.B. No. 1878

The purposes of the bill are to:

1. Reduce the cost of restoring a forfeited certified public accountant or public accountant license;
2. Authorize the assessment of a recordkeeping fee for license restoration purposes;
3. Eliminate permit restoration requirements; and
4. Clarify that fees shall be established and adopted by the director of the Department of Commerce and Consumer Affairs in accordance with chapter 91, HRS, and deposited into the compliance resolution fund established pursuant to subsection 26-9(o), HRS.

The Board of Public Accountancy, Department of Commerce and Consumer Affairs, testified in support of the bill.

A license and permit are required to actively engage in the practice of public accountancy. Current law requires that an applicant for restoration of a forfeited license be assessed twice the amount of fees the applicant would have paid had the license been kept current. An applicant for permit restoration, in addition to complying with continuing education requirements, is assessed twice the amount of fees that would have been due had the permit been timely renewed. These restoration fee requirements unduly penalize individuals who choose to interrupt their practice in this state. The proposed amendments to section 466-8, HRS, remove the financial barriers to relicensure without compromising consumer protection.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1878, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1878, HD 1, and be referred to the Committee on Finance.

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

SCRep. 273 Consumer Protection and Commerce on H.B. No. 1855

The purpose of this bill is to allow for the continued existence of the Compliance Resolution Fund (CRF).

The Department of Commerce and Consumer Affairs (DCCA) testified in support of the measure.

The Compliance Resolution Fund was established in 1982 as a funding mechanism to support the operations of the Regulated Industries Complaints Office. Over the years, the purpose of the fund has been expanded to support the operations of other DCCA divisions, including Business Registration (BREG), Professional and Vocational Licensing (PVL), Office of Consumer Protection, Office of Administrative Hearings, and Administrative Services Office. CRF funding is especially critical for BREG and PVL whose operations are funded solely by CRF fees, with no General Fund support.

Current law provides that the CRF terminate on July 1, 2001. Removing this repeal date will allow for the continued operation of the programs supported by the fund.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1855, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1855, HD 1, and be referred to the Committee on Finance.

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

SCRep. 274 Consumer Protection and Commerce on H.B. No. 1900

The purposes of the bill are to establish license and renewal fees for new licenses, remove the examination exemption for nonresident agents and brokers, establish a mailing deadline for the submission of appointment forms, clarify the effective date of an appointment, and require the payment of fees prior to license issuance.

Testimony in support of the bill was received from the Department of Commerce and Consumer Affairs, Insurance Division, and the Hawaii Independent Insurance Agents Association.

Four types of insurance licenses have been added to the Insurance Code, and Section 1 of the bill establishes license and renewal fees for these new licenses. Section 2 of the bill eliminates the license examination exemption for nonresident agents and brokers. This housekeeping amendment is necessary to conform section 431:9-206, HRS, to section 431:9-221, HRS, which was amended by the 1996 Legislature to require that nonresident agents and brokers pass the license examination administered to resident agents and brokers before placing insurance in this state.

To encourage the diligent filing of forms, Sections 3 and 5 of the bill establish a ten day period for submission by mail of general agent, sub-agent, and solicitor notice of appointment forms. These provisions further establish that in the absence of compliance with the ten-day requirement, the effective date of the appointment is the date of receipt by the insurance commissioner. To provide for consistency throughout the insurance licensing provisions, the remainder of the bill amends various sections within article 9 to require that fees shall be paid prior to the issuance of a license.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1900, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1900, HD 1, and be referred to the Committee on Finance.

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

SCRep. 275 Consumer Protection and Commerce and Judiciary on H.B. No. 1895

The purpose of this bill is to allow the director of the Department of Commerce and Consumer Affairs (DCCA) to establish advisory committees for regulatory programs to assist in disciplinary matters and investigations.

Testimony in support of the bill was received from DCCA.

There are currently fourteen regulatory programs within DCCA administered by the department's director. These programs operate without the benefit of advisory boards or commissions. Authorizing the establishment of advisory committees for the programs would enable the director to draw upon the expertise and experience of industry professionals in disciplinary matters and investigations.

Your Committees have amended the bill by incorporating the recommendation of DCCA to broaden the scope of the advisory committees' involvement to include professional vocational licensing matters.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1895, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1895, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, Jones, Saiki, Tom, Yoshinaga, Kawanakoa and Thielen.

SCRep. 276 Consumer Protection and Commerce and Judiciary on H.B. No. 1901

The purposes of the bill are to:

1. Increase the fee for service of legal process;
2. Clarify annual and quarterly filing deadlines for the National Association of Insurance Commissioners (NAIC), and establish a penalty for late or non-filing;
3. Clarify the standards for preparation of audited financial statements;
4. Delete an obsolete insurance code table relating to unearned premium reserve requirements;
5. Amend filing requirements for the drivers education fund underwriters fee;
6. Require the filing of financial statements for association and risk retention captives in accordance with statutory accepted principles;
7. Amend the definitions of "liability" and "personal risk liability" to be consistent with the Federal Liability Risk Retention Act of 1986 (RRA); and
8. Amend the notice requirements for purchasing groups to be consistent with the RRA.

The Insurance Division (Division) of the Department of Commerce and Consumer Affairs testified in support of the bill.

The proposed changes to the insurance code will enable the Division to cover costs related to responding to a legal summons, encourage the timely filing of mandatory reports, implement NAIC accreditation team recommendations, reduce the Division's workload without compromising regulatory oversight, eliminate inconsistencies in reporting of assets and surplus by association and risk retention captives, and avoid violations of the RRA.

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

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1901, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1901, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, Saiki, Tom, Yoshinaga, Kawanakoa and Thielen.

SCRep. 277 Consumer Protection and Commerce and Judiciary on H.B. No. 1854

The purpose of the bill is to extend the authorization of the director of the Department of Finance (director) to issue reimbursable general obligation bonds for the purposes of the Hawaii Hurricane Relief Fund (HHRF). Additionally, the bill establishes the state supreme court's original jurisdiction in disputes related to the bond financing of the HHRF and the Hurricane Reserve Trust Fund (HRTF).

Testimony in support of the bill was received from the Hawaii Hurricane Relief Fund and the Insurance Division of the Department of Commerce and Consumer Affairs.

The authority of the director to issue reimbursable general obligation bonds for the purposes of the HHRF expires on June 30, 1997. Extension of the director's authority for the fiscal years 1997-1998 and 1998-1999 is necessary to ensure the financial integrity of the fund and to protect the fund's federal tax exempt status.

Upon careful consideration, your Committees have amended the bill by deleting the provision establishing the state supreme court's original jurisdiction in disputes related to the bond financing of the HHRF and HRTF.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1854, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1854, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, Saiki, Tom, Yoshinaga, Kawanakoa and Thielen.

SCRep. 278 Consumer Protection and Commerce and Judiciary on H.B. No. 1866

The purpose of this bill is to amend the insurance premium tax provisions by:

- (1) Eliminating the monthly premium tax payment method and requiring insurers to file quarterly and annual tax statements;

- (2) Deleting the tax exemption for annuities and imposing a tax of one percent on the gross premiums received on annuity contracts;
- (3) Requiring unauthorized insurers and surplus lines brokers to pay premium taxes on life insurance and accident and sickness insurance; and
- (4) Clarifying the penalties for late payment of premium taxes.

Testimony supporting the bill was received from the Departments of Commerce and Consumer Affairs and Taxation. The Hawaii Independent Insurance Agents Association submitted testimony supporting the intent of the measure. State Farm Insurance Companies submitted comments on the bill.

Quarterly Tax Statements

According to the Department of Commerce and Consumer Affairs (DCCA), elimination of the monthly premium tax payments will result in tremendous savings of resources for the Examination Branch of the Insurance Division. DCCA stated that the elimination of the monthly premium tax payments is needed because of the serious personnel shortage in the Examination Branch. Requiring all insurers to file statements and pay taxes quarterly eliminates the need to check each insurer's prior year premium tax liabilities to ensure compliance with current monthly, quarterly, and annual payment deadlines. Nearly all other states have adopted the quarterly filing and payment system.

Annuity Contracts

The Department of Taxation (DOTAX) submitted testimony stating that currently, gross premiums received by authorized insurers are subject to the insurance tax. However, the definition of "gross premiums" exempts annuities. This bill would delete this exemption. Additionally, DCCA stated that the tax on annuities proposed by this bill will generate an estimated \$2,850,000 in revenues for the State.

Unauthorized Insurers and Surplus Lines Brokers

DCCA's testimony indicated that unauthorized life insurance companies collecting life and accident and sickness premiums from Hawaii residents are currently not paying tax on this business and that the tax proposed by this bill will generate approximately \$50,000 of premium tax. Additionally, this amendment imposes a duty on insurers, not insureds, to pay this tax.

Late Payment Penalty

According to DCCA, the proposed amendment to the late payment penalty provision clarifies that failure to file the tax statement or pay the required taxes when due will result in a fine of \$500 or ten percent of the tax due, whichever is greater, plus interest at one percent per month. This would provide equity for all insurers since a percentage is used rather than a fixed dollar amount. This amendment is also consistent with other penalty provisions in the Insurance Code.

Recommendations

Your Committees would like to clarify that although this bill has been reported from your Committees, this does not necessarily mean that your Committees fully endorse the taxation of annuities. It is the intent of your Committees that discussion be continued when this measure is considered by the Committee on Finance, which is the appropriate committee to consider the taxation of annuities and other issues with fiscal implications.

Your Committees have amended the bill by making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1866, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1866, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, Saiki, Tom, Yoshinaga, Kawananaoka and Thielen.
(Representatives Aiona, Pendleton and Whalen voted no.)

SCRep. 279 Public Safety and Military Affairs on H.B. No. 1324

The purpose of this bill is to appropriate funds to establish residential facilities for juveniles who have been adjudicated for law violations and who require an intermediate level of security.

The Judiciary and the Office of Youth Services testified in support of the measure.

Your Committee has amended this bill by:

- (1) Designating the Judiciary as the agency to establish the residential facilities and expend appropriated moneys;
- (2) Requiring that the residential facilities be built on the islands of Hawaii, Maui, Kauai, and Oahu; 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 Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1324, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1324, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 280 Agriculture on H.B. No. 1572

The purpose of this bill is to make several housekeeping amendments to the state's agricultural loans law. These amendments:

- (1) Replace the term "Farmers Home Administration" (FHA) with "United States Department of Agriculture" (USDA), the federal department that administers farm programs;
- (2) Reduce the number of credit denials required to qualify to apply for the state's Agricultural Loan Program (Program); and
- (3) Repeal the state's Program for making loans under the insured program of the FHA.

Your Committee notes that this bill designates the USDA as the parent agency of the federal government's farm loan programs, rather than a specific agency within USDA, given that the FHA no longer exists and its functions have been reorganized. By using the USDA, a farmer could seek the assistance of an appropriate agency and comply with the state's program requirement to seek credit elsewhere.

Furthermore, this bill would also expedite the credit denial process by allowing an applicant a choice on whether to use the USDA or the Farm Credit Bank, thereby reducing the number of credit denials, from four to three credit denial, that are required before applicants may apply to the Program. Lastly, this bill repeals the Program for making loans under the insured program of the FHA, as no loans have ever been made under the insured program and the Farm Service Agency has confirmed that no such program exists.

Your Committee received testimony in support of this bill from the Hawaii Farm Bureau. The Department of Agriculture submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1572 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

SCRep. 281 Agriculture on H.B. No. 1573

The purpose of this bill is to clarify the law relating to loans made on unsurveyed agricultural lands.

Your Committee received comments from the Department of Agriculture (DOA).

Current law states that no loans shall be made on unsurveyed lands. This language is not specific as to what classes of loans are involved and the law, as written, appears to pertain to all loans. This bill would limit the current restriction to loans under the Class A category (farm ownership and improvement), and thereby allows DOA the flexibility to consider other classes of loans to farmers who utilize unsurveyed land for farm production purposes.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1573 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

SCRep. 282 Agriculture on H.B. No. 1574

The purpose of this bill is to repeal an exception for direct Class D emergency loans, which excludes borrowers from the requirement of seeking refinancing of their loans when the borrower is able to obtain private financing.

Your Committee recognizes that while the Emergency Loan Program is needed to assist farmers in times of economic hardship, borrowers should not be exempt from the requirement of refinancing their loans once they become economically sufficient. This bill would require that borrowers refinance the balance of their loans when their financial condition improves to the point where a private lender may consider the borrower to be a good credit risk.

Supporting testimony was submitted by the Department of Agriculture.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1574 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

SCRep. 283 Agriculture on H.B. No. 1575

The purpose of this bill is to authorize the Board of Agriculture (BOA) to adopt, by rule, specific formulas and criteria for:

- (1) Determining minimum prices to be paid to producers of milk and quotas; and
- (2) Establishing prices and quotas based on specific formulas and criteria by order without regard to the public notice requirements of the Administrative Procedure Law, provided that an order establishing minimum milk prices is subject to the Governor's approval.

The Department of Agriculture submitted testimony in support of this bill. The Hawaii Fresh Milk Industry, Inc. submitted testimony in favor of the procedure in the bill that will enable the BOA to respond in a more timely manner to factors that affect the minimum price of milk and the establishment of quotas for the production of milk. However, milk producers have indicated that they would like the opportunity to provide input to determine the minimum prices to be paid to milk producers and to establish quotas for milk production.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1575 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 Herkes.

SCRep. 284 Health on H.B. No. 1509

The purpose of this bill is to:

- (1) Allow the money it costs to service an individual in Waimano Training School and Hospital (WTSH) to follow the individual in order to pay for the individual's community-based services; and
- (2) Allow any remaining funds to be used to supplement State matching funds for Title XIX Medicaid community-based programs to expand the number of individuals from the community served in community-based programs.

Your Committee believes that the intent of this bill is to ensure funding to provide community-based service alternatives to the institutional care of WTSH residents, to expand the number of persons to be served from the community, and to strengthen the developmental disabilities service system in the community.

Testimony in support of this bill was received from the Department of Health, the Department of Human Services, the State Planning Council on Developmental Disabilities, the Commission on Persons with Disabilities, and Kona Association for Retarded Persons dba Kona Krafts.

Testimony in opposition to this bill was received from the Department of Budget and Finance.

Upon further consideration, your Committee has amended this bill to allow varied matching opportunities, when available, to fund community-based services.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1509, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1509, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 285 Tourism on H.B. No. 2215

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for the promotion of Kauai's south shore as a visitor destination.

Your Committee received testimony as follows:

1. One individual member of the Kauai County Council, Poipu Beach Resort Association, Kauai Economic Development Board, Outrigger Enterprises, in support; and
2. Department of Business, Economic Development and Tourism, in comment.

Your Committee finds that a large number of the visitor industry facilities in the south Kauai area have managed to recover from the damage of Hurricane Iniki in 1992 and re-open, but travel agents and wholesalers still think the area remains shut down.

Your Committee finds that a one-time appropriation of funds for a campaign to raise awareness of the availability of tourism operations in south Kauai would greatly assist in an economic recovery of an area in tremendous need of business activity.

Your Committee revised the bill by:

1. Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill;

2. Adding a provision requiring matching funds in a ratio of 3 to 1, private to state; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2215, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2215, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

SCRep. 286 Tourism on H.B. No. 183

The purpose of this bill is to provide for the development of a sports complex to provide facilities for one or more professional foreign or mainland baseball, football, soccer, or other sports leagues or teams, and for the use of the sports complex by state residents when the facilities are not in use by the teams.

Your Committee received testimony as follows:

1. Department of Business, Economic Development, and Tourism, Stadium Authority, Hawaii Hotel Association, Oahu Interscholastic Association, Hawaii Winter Baseball League, in support; and
2. City and County of Honolulu Department of Land Utilization, in opposition.

Your Committee finds that development of Hawaii as a sports center would diversify Hawaii's economy, but efforts to have professional sports teams train in Hawaii are often thwarted by a lack of adequate facilities. Construction of such a sports complex would help encourage professional teams to train or compete here and would also allow the use of the facility by local teams when available.

Your Committee revised the bill by:

1. In specifying the agencies responsible for development of the complex, adding the Department of Land and Natural Resources and removing the Hawaii Visitors and Convention Bureau;
2. Changing "The public lands will be leased to one or more private domestic or foreign organizations" to "If public lands are utilized, the lease of the public lands to one or more private domestic or foreign organizations";
3. Providing that the facility will be made available for the use of local residents when feasible;
4. Changing the maximum period of the lease from one hundred years to the maximum period allowed by law;
5. Requiring a hold harmless agreement and the indemnification of the state for liability;
6. Authorizing the execution of contracts;
7. Adding additional provisions necessary to authorize the governor to set aside public lands for the purpose of this bill;
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 H.B. No. 183, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 183, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

SCRep. 287 Tourism on H.B. No. 257

The purpose of this bill is to require any state agency, when contracting for tourism-related research, to first consult with the Department of Business, Economic Development, and Tourism concerning contract provisions. The Hawaii Visitors and Convention Bureau and the School of Travel Industry Management of the University of Hawaii shall have first preference for the contract if they have the research capacity to perform the contract.

Your Committee received testimony as follows:

1. University of Hawaii School of Travel Industry Management, Hawaii Visitors and Convention Bureau, in support; and
2. Department of Business, Economic Development and Tourism, in comment.

Your Committee finds that the State of Hawaii has unmatched tourism information resources in the University of Hawaii School of Travel Industry Management on visitor industry policy issues, and the Hawaii Visitors and Convention Bureau on marketing and visitor data research. By coordinating research through the Department of Business, Economic Development and Tourism, state agencies can avoid costly duplication of effort and can also draw on the expertise of other colleges and departments in the university.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 257 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

SCRep. 288 Tourism on H.B. No. 663

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

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

Your Committee finds that the Hawaii International Film Festival has developed into an event with an international reputation as one of the premier(e) venues for films made in Asia and the Pacific. The continued work of the festival will help Hawaii diversify its visitor industry away from the leisure market and will help diversify the economy by assisting in Hawaii's growth as a meetings center and film location. In addition, the festival is in the first year of a five-year phaseout of state funding, and is in the process of strengthening its private and corporate funding sources.

Your Committee revised the bill by:

1. Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill;
2. Adding a provision requiring matching funds in a ratio of 3 to 1, private to state; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 663, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 663, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

SCRep. 289 Judiciary on H.B. No. 1585

The purpose of this bill is to clarify which State and county agencies and programs are exempt from paying fees for services related to criminal history record information maintained by the Hawaii Criminal Justice Data Center ("HCJDC").

Your Committee heard testimony in support of this bill from the State Attorney General and the Administrator of the Hawaii Criminal Justice Data Center.

Your Committee finds that when fees were established in 1995, the original intent of the statute was to exempt services provided to criminal justice agencies as well as State and county agencies for employment purposes. In implementing fees, HCJDC has found that the wording in section 846-10.5, Hawaii Revised Statutes, to be unclear. The section could be construed to exempt any record check that a State or county agency choose to perform. In many programs, fees for criminal history record checks are paid by the company or individual requiring the clearance, rather than the governmental agency. Purchase-of-service providers are required by contract to pay criminal history record check fees. However, questions have arisen as to whether or not the fee exemption applies in these cases.

Your Committee finds that these questions are resolved by clarifying that the fee exemption applies to record checks for employment purposes. This bill is necessary to ensure fee exemptions are limited to those programs and agencies for which they were originally intended and to allow assessment of fees for checks on non-Hawaii records.

Your Committee has amended the bill at the request of HCJDC to delete the word "Hawaii" from the description of the criminal history record name check to more accurately reflect the general purpose nature of the record checks.

Your Committee has also made 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 H.B. No. 1585, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1585, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Jones, Menor and Yoshinaga.

SCRep. 290 Judiciary on H.B. No. 1587

The purposes of this bill are:

- (1) To provide for an expiration date for the State-issued identification card;
- (2) To statutorily expire all existing identification cards that were issued without expiration dates; and
- (3) To appropriate funds for an updated photo identification system.

Your Committee received testimony supporting this bill from the Attorney General and the Administrator of the Hawaii Criminal Justice Data Center.

Your Committee finds that Hawaii is one of a small number of states in the nation that does not provide for an expiration date on the state-issued identification card. An individual may now obtain a card early in life, and continue to use it for years. This bill would help to ensure that the information and photograph on the card itself reflects the most current and accurate data. In addition, for non-U.S. citizens, the bill provides for an expiration date on a legal nonimmigrant's card that would coincide with the expiration date on the Immigration and Naturalization Service departure card (I-94).

Your Committee also finds that presently, the state identification program is budgeted at \$200,000, but generates revenue upwards of \$400,000 annually, resulting in a net revenue gain for the State general fund of almost \$200,000 annually. The addition of an expiration date is estimated at increasing the number of applicants by as much as 50% annually. While the one-time cost of a photo identification system is estimated at \$250,000 (with ongoing costs of \$75,000 annually), the increase in revenue generated would make this proposal extremely cost beneficial. The intent of this measure, however, is not for taxation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1587 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Jones, Menor and Yoshinaga.

SCRep. 291 Judiciary on H.B. No. 1724

The purpose of this bill is to provide that the State is entitled to recover medical assistance payments regardless of how they are provided or who provides them.

Your Committee received testimony supporting this bill from the State Department of Human Services.

Your Committee finds that currently, the State provides medical assistance to needy individuals pursuant to the Medicaid Program and Quest. The State's Medicaid program provides medical assistance to eligible individuals under Title XIX of the Social Security Act. The Medicaid Program provides medical assistance to two categories of individuals: 1) the aged, blind, and disabled; and 2) AFDC and AFDC related categories. Currently, the State's Medicaid Program provides medical assistance to the aged, blind, and disabled while QUEST provides medical assistance to the AFDC and AFDC related categories. Medicaid is a state administered program which receives federal funding for approximately 50% of its expenditures.

Under the current Medicaid Program in Hawaii, payments are made to medical providers based on the services rendered (fee-for-service). However, in 1997, Hawaii will be joining a host of other states in utilizing managed care to administer the Medicaid Program. Pursuant to 42 CFR 433.139(d), states participating in the Medicaid Program must seek recovery of reimbursement from third party benefit providers to the limit of legal liability within 60 days after the end of the month in which payment is made, unless recovery would not be cost-effective. Under managed care, the State is a partner with medical care providers wherein the state and participating medical providers contractually define each participant's roles and responsibilities in the medical assistance program for the purpose of providing medical assistance to the largest number of eligible participants at the lowest possible cost. In order to make QUEST a cost efficient medical assistance program, the State and participating medical providers recover medical payments from liable third parties. Initially, the QUEST medical providers were unable to operate an effective third party lien recovery program, the recovery responsibilities were returned to the State. Third party recoveries significantly reduce the costs to the State and participating medical providers for operation of the QUEST program.

Before QUEST, the State, through the Attorney General, was receiving \$1 million per year from liable third parties through the third party lien enforcement program. In calendar year 1996, the amount of recovery was reduced to less than \$800,000. The State intends to resolve the operational problems involving identification of third party recovery cases from QUEST providers to the Department of Human Services and the Attorney General. This bill is designed to reaffirm that the State has the legal authority to use its lien program to recover such costs. Under the current law, which was designed for use with a fee-for-service program, it is unclear whether the State is entitled to recover the actual medical assistance furnished. This bill clarifies that the State may recover the actual costs of medical assistance, regardless of how it is provided.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1724 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Jones, Menor and Yoshinaga.

SCRep. 292 Judiciary on H.B. No. 360

The purpose of this bill is to establish a procedure to allow the Director of Taxation to reward individuals for reporting state tax evaders.

Individuals would be compensated from the proceeds of taxes collected as a result of the information provided. Payments will only be made if the information provided results in the collection of tax revenues and shall not exceed twenty percent of the taxes collected.

Your Committee finds that this bill would provide an incentive for individuals to provide information to assist the Department of Taxation in pursuing criminal tax violations, as well as assist in the collection of tax revenues.

The Department of Taxation supported the measure, but recommended several modifications.

Based on these recommendations, your Committee has amended this bill by:

- (1) Providing that individuals may be compensated for detecting persons or businesses who have failed to file tax returns;
- (2) Providing that individuals may be compensated for the purchase of information for:
 - (A) Assisting in an investigation that could save investigative time and reduce costs;
 - (B) Services rendered, such as locating witnesses, and assets that will result in obtaining essential information, testimony, and evidence relating to an investigation; and
 - (C) Payments for assisting in the apprehension of individuals under investigation for tax crimes;
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 360, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki and Menor.
(Representatives Pendleton and Thielen voted no.)

SCRep. 293 Judiciary on H.B. No. 1649

The purpose of this bill is to provide for the penalty of perjury for the wilful falsification of any tax return, statement or other tax document, by amending Hawaii's perjury statute, section 710-1060, Hawaii Revised Statutes (HRS).

Your Committee received testimony in support of this bill from the Department of Taxation.

Your Committee also received testimony from the Office of the Public Defender suggesting that an amendment to section 231-36 HRS, would be less confusing. The Department of Taxation, after reviewing the suggested language, concurred with the proposed amendment.

Under current law, State tax returns provide for penalties under section 231-36 HRS, for knowingly falsifying a return. These penalties are based on a jurat signed under the penalty of perjury. Hawaii's perjury statute, however, only applies to false statements made under oath in an official proceeding.

Your Committee finds that the proposed amendment would be less confusing and still achieves the purpose of the bill.

Your Committee has therefore amended the bill by adding language to section 231-36 HRS that makes the wilful falsification of any tax return, statement or other tax document a class C felony.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1649, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1649, HD 1, and be referred to the Committee on Finance.

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

SCRep. 294 Human Services and Housing and Health on H.B. No. 385

The purpose of this bill is to provide for the regulation and licensing of marriage and family therapists.

Numerous testimony supporting this measure were submitted by representatives of marriage and family therapist associations, private organizations that provide marriage and family therapy, mental health service organizations, individuals in private practice, the clergy, and concerned individuals. The Department of Commerce and Consumer Affairs testified in support of this measure provided its recommended amendments were incorporated into the bill. The Hawaii Psychological Association submitted testimony requesting that this measure be held and that H.B. No. 607 be reviewed.

After careful consideration, your Committees have amended this measure by:

- (1) Deleting the current language and replacing it with the language from H.B. No. 607; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 385, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 385, HD 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committees except Representatives Stegmaier and Whalen.

SCRep. 295 Human Services and Housing and Health on H.B. No. 515

The purpose of this bill is to create a model collaborative effort for the delivery of comprehensive, interdisciplinary youth services, through the youth service centers, thereby expanding the current services provided to youth utilizing the centers.

Written and oral testimony, offered by the Department of Human Service's Office of Youth Services (OYS), the Department of Health (DOH), and Kualoa-Heeia Ecumenical Youth Project, revealed wholehearted support for the intent of this measure. However, there was dissension regarding the need for dismantling the existing youth services centers operating under the office of youth services, and the need for creation, coordination, and oversight of new, school/community based youth service centers. The concern mainly centered around the possibility of duplicating services already being coordinated and provided by OYS, DOH, and other public and private agencies.

Your Committees discussed and considered possible appropriate amendments to the bill and recommends them as follows:

- (1) Delete any reference to school/community based service centers and replace with the original statutory language of youth services centers.
- (2) Emphasize that collaboration and coordination of services to youth, in both school and in the community, will be the model of the youth services centers.
- (3) Indicate that the amount that is currently appropriated for the youth services centers program is doubled to \$480,000 by this measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 515, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 515, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Stegmaier and Whalen.

SCRep. 296 Economic Development and Business Concerns on H.B. No. 1504

The purpose of this bill is to remove state administrative functions relating to the film industry from the Department of Business, Economic Development, and Tourism (DBEDT) and to provide for the privatization of the film industry.

Among other things, this bill:

- (1) Authorizes the DBEDT Director to contract with private entities for the purpose of privatizing the functions of the DBEDT's Film Industry Branch (Branch), including the Diamond Head Film Studio (Studio);
- (2) Repeals the "One-Stop Film Permitting Process" (Consolidated Film Permit Processing) and the Hawaii Film Facility Special Fund (Special Fund);
- (3) Transfers all appropriations, records, and property of the Branch to the private entity;
- (4) Requires the transfer of all fiscal year 1997-1998 Branch appropriations and all unencumbered funds in the Special Fund to the general fund; and
- (5) Requires the DBEDT Director to report the progress of privatizing the Branch to the Legislature prior to the 1998 Regular Session.

Your Committee received testimony in support of the bill from the National Federation of Independent Business. The DBEDT submitted testimony in support of the intent of the bill; however, DBEDT indicated its concerns, particularly on the privatization aspects of the bill. Opposing testimony was submitted by the President of the Film and Video Association of Hawaii.

Upon consideration, your Committee has amended this bill by:

- (1) Narrowing the scope of the bill to allow for the privatization of the Studio, rather than the Branch;
- (2) Authorizing the DBEDT Director to contract with private entities for the purpose of privatizing the operation and management of the Studio;
- (3) Reinstating the "One-Stop Film Permitting Process" (Consolidated Film Permit Processing) and the Fund;
- (4) Transferring all appropriations, records, and property of the Studio to the private entity;
- (5) Repealing the transfer of fiscal year 1997-1998 Branch appropriations and all unencumbered funds in the Special Fund to the general fund;

- (6) Requiring the DBEDT Director to report the progress of the operation and management of the Studio to the Legislature prior to the 1998 Regular Session; and
- (7) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1504, HD 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Herkes, Cachola and Jones.

SCRep. 297 Energy and Environmental Protection on H.B. No. 1681

The purpose of this bill is to:

- (1) Authorize the Department of Transportation to adopt rules for the registration of electric vehicles and issue special license plates for these vehicles; and
- (2) Exempt electric vehicles for high occupancy vehicle restrictions and the payment of parking fees indefinitely; and
- (3) Waive registration and other fees for electric vehicles for a 10-year period.

The Department of Transportation, the Department of Business, Economic Development, and Tourism, the High Technology Development Corporation and Hawaiian Electric Company submitted testimony in support of this measure.

Your Committee has amended this bill by limiting the exemption to high occupancy vehicle restrictions to five years.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1681, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1681, HD 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representative Morihara.
(Representative Meyer voted no.)

SCRep. 298 Labor and Public Employment on H.B. No. 1621

The purpose of this bill is to clarify that injuries resulting from an employee's wilful intent and injuries incurred by any non-work related physical altercations are excluded from workers' compensation coverage.

Testimony in support of this bill was submitted by the Department of Labor and Industrial Relations. Opposing testimony was received from the Hawaii State AFL-CIO and the International Longshoremen's and Warehousemen's Union Local.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1621 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 Takumi.

SCRep. 299 Finance on H.B. No. 1639

The purpose of this bill is to conform the Hawaii Income Tax Law to the Internal Revenue Code.

H.B. No. 1639 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1639, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1639, HD 1.

Signed by all members of the Committee.

SCRep. 300 Finance on H.B. No. 728

The purpose of this bill is to exempt from the conveyance tax documents or instruments that:

- (1) Merely change the identity or form of ownership of realty or any interest therein without changing the beneficial ownership; or
- (2) Convey realty or any interest therein to a corporation or partnership wholly owned by the transferor or the transferor's immediate family members.

The Department of Taxation and the Tax Foundation of Hawaii commented on the bill.

Your Committee has made technical, nonsubstantive amendments to the bill to conform to drafting style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 728, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 301 Finance on H.B. No. 1593

The purpose of this bill is to ensure completion of state projects by:

- (1) Dedicating funds received by a purchasing agency to the completion of a contract when the purchasing agency, upon default of a contractor, has accepted moneys from the contract's surety in full satisfaction of the surety's obligation on the contract; and
- (2) Exempting the selection of the replacement contractor needed to complete the contract from the requirements of the Hawaii Public Procurement Code.

The State Procurement Office and the Attorney General testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1593 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 302 Finance on H.B. No. 1262

The purpose of this bill is to direct the Department of Business, Economic Development and Tourism to conduct a study on:

- (1) A single rate, single income tax;
- (2) Replacing the general excise tax with a sales tax; and
- (3) Imposing a value-added tax in lieu of the general excise tax.

The bill also appropriates funding for the study.

The National Federation of Independent Business testified in support of this measure. The Departments of Business, Economic Development and Tourism, and Taxation, and the Tax Foundation of Hawaii commented on the bill.

Your Committee has made technical, nonsubstantive amendments for the purpose of style and to insert a bill number received after the bill was introduced.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1262, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1262, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 303 Finance on H.B. No. 1640

The purpose of this bill is to amend certain provisions of the General Excise Tax Law to deter abuse. Specifically, this bill:

- (1) Makes assessments of general excise tax consistent for in-state and out-of-state consignors;
- (2) Includes property and services in the provision allowing the Department of Taxation (Department) to assess tax on the basis of true value if the consideration paid for products is not indicative of their true value; and
- (3) Amends the provision in the General Excise Tax Law that provides a method by which taxpayers doing business in Hawaii and in another jurisdiction may determine how much gross income is subject to general excise tax to allow the taxpayer or the Department to use an alternate method if necessary.

The Department of Taxation testified in support of this measure. The Tax Foundation of Hawaii commented on the bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1640, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1640, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Fox.

SCRep. 304 Finance on H.B. No. 1643

The purpose of this bill is to provide penalties for taxes paid through electronic fund transfer (EFT) that are dishonored.

The bill also provides for a report to be submitted to the Legislature for the 1998 session containing the number of taxpayers penalized for dishonored payments by EFT and the amounts of the penalties for that year and the previous year.

The Department of Taxation testified in support of this measure. The Tax Foundation of Hawaii commented on the bill.

Your Committee has made technical, nonsubstantive amendments for style and consistency and to correct a spelling error.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1643, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 305 Finance on H.B. No. 1645

The purpose of this bill is to amend the tax laws to bring entities formed pursuant to the new Uniform Limited Liability Company Act under the tax provisions.

The Department of Taxation testified in support of this measure. The Tax Foundation of Hawaii commented on the bill.

Your Committee has made technical, non-substantive amendments for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1645, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1645, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 306 Finance on H.B. No. 1647

The purpose of this bill is to ease the administration and collection of taxes and to enhance compliance with the general excise tax laws by authorizing the Director of Taxation to allow a person engaged in network marketing, multi-level marketing, or similar businesses to obtain a single general excise tax license and become a tax collection agent on behalf of its direct sellers.

The Department of Taxation, Amway, Avon, and the Direct Selling Association testified in support of this measure. The Tax Foundation of Hawaii commented on the bill.

Your Committee has made technical, nonsubstantive amendments to the bill to conform to drafting style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1647, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1647, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 307 Finance on H.B. No. 1687

The purpose of this bill is to streamline state operations by authorizing the use of electronic funds transfers for payments to the state and transfers from depositories of state treasury moneys.

The Departments of Accounting and General Services and Human Services testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1687 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Fox.

SCRep. 308 Finance on H.B. No. 1700

The purpose of this bill is to increase the Hawaii Community Development Authority's (HCDA) tax-exempt public facilities revenue bond authorization to \$125,000,000 which will be sufficient to finance planned public facilities.

HCDA testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1700 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 309 Finance on H.B. No. 1710

The purpose of this bill is to cut down on unnecessary paper work for the Departments of Education (DOE), Budget and Finance, and Human Resources Development by deleting the requirement that the DOE transfer the appropriation for workers' compensation costs to the Department of Human Resources Development.

The DOE testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1710 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 310 Finance on H.B. No. 1768

The purpose of this bill is to insert corrected tax map key numbers for parcels being transferred to the Department of Hawaiian Home Lands (Department).

The Governor's Special Assistant for Housing and the Department testified in support of this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1768, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1768, HD 1, and be placed on the calendar for Third Reading.

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

SCRep. 311 Finance on H.B. No. 1799

The purpose of this bill is to streamline the payment process involving the issuance of checks drawn from the Director of Finance's demand deposit accounts maintained with depositories of State Treasury Funds by easing the endorsement requirements.

The Department of Budget and Finance testified in support of this measure.

Your Committee has made technical, nonsubstantive amendments to conform to drafting style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1799, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 312 Finance on H.B. No. 1800

The purpose of this bill is to authorize the Director of Finance to allocate the interest earnings on state treasury investments to the respective bond fund, special fund, and trust and agency fund.

The Department of Budget and Finance testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1800 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 313 Finance on H.B. No. 1770

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1995-1997 and fiscal biennium 1997-1999 for cost items for collective bargaining unit 1 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1995.

The Office of Collective Bargaining testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1770 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 314 Finance on H.B. No. 1771

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1995-1997 and fiscal biennium 1997-1999 for cost items for collective bargaining unit 2 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1995.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1771 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 315 Finance on H.B. No. 1772

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1995-1997 and fiscal biennium 1997-1999 for cost items for collective bargaining unit 3 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1995.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1772 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 316 Finance on H.B. No. 1773

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1995-1997 and fiscal biennium 1997-1999 for cost items for collective bargaining unit 4 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1995.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1773 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 317 Finance on H.B. No. 1774

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1995-1997 and fiscal biennium 1997-1999 for cost items for collective bargaining unit 5 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1995.

The Office of Collective Bargaining testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1774 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 318 Finance on H.B. No. 1775

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1995-1997 and fiscal biennium 1997-1999 for cost items for collective bargaining unit 6 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1995.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1775 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 319 Finance on H.B. No. 1776

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1995-1997 and fiscal biennium 1997-1999 for cost items for collective bargaining unit 7 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1995.

The Office of Collective Bargaining testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1776 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 320 Finance on H.B. No. 1777

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1995-1997 and fiscal biennium 1997-1999 for cost items for collective bargaining unit 8 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1995.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1777 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 321 Finance on H.B. No. 1778

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1995-1997 and fiscal biennium 1997-1999 for cost items for collective bargaining unit 9 and its excluded counterparts, including the cost of salary adjustments arbitrated between the State and the exclusive bargaining unit representative for fiscal biennium 1995-1997.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements arbitrated between the State and the respective bargaining unit representatives for the fiscal biennium beginning July 1, 1995.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in support of this measure.

Your Committee has amended the bill by changing all of the appropriation amounts to zero for purposes of continued discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1778, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1778, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 322 Finance on H.B. No. 1779

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1995-1997 and fiscal biennium 1997-1999 for cost items for collective bargaining unit 10 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1995.

The Office of Collective Bargaining testified in support of this measure.

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

Signed by all members of the Committee.

SCRep. 323 Finance on H.B. No. 1780

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1995-1997 and fiscal biennium 1997-1999 for cost items for collective bargaining unit 13 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1995.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1780 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 324 Finance on H.B. No. 1781

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1995-1997 and fiscal biennium 1997-1999 for cost items for collective bargaining units 3, 4, and 13, and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the respective bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1995.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1781 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 325 Finance on H.B. No. 1782

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1997-1999 for cost items for collective bargaining unit 1 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1997.

The Office of Collective Bargaining testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1782 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 326 Finance on H.B. No. 1783

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1997-1999 for cost items for collective bargaining unit 2 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1997.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1783 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 327 Finance on H.B. No. 1784

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1997-1999 for cost items for collective bargaining unit 3 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1997.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1784 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 328 Finance on H.B. No. 1785

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1997-1999 for cost items for collective bargaining unit 4 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1997.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1785 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 329 Finance on H.B. No. 1786

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1997-1999 for cost items for collective bargaining unit 5 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1997.

The Office of Collective Bargaining testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1786 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 330 Finance on H.B. No. 1787

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1997-1999 for cost items for collective bargaining unit 6 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1997.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1787 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 331 Finance on H.B. No. 1788

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1997-1999 for cost items for collective bargaining unit 7 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1997.

The Office of Collective Bargaining testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1788 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 332 Finance on H.B. No. 1789

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1997-1999 for cost items for collective bargaining unit 8 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1997.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1789 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 333 Finance on H.B. No. 1790

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1997-1999 for cost items for collective bargaining unit 9 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1997.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1790 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 334 Finance on H.B. No. 1791

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1997-1999 for cost items for collective bargaining unit 10 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1997.

The Office of Collective Bargaining testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1791 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 335 Finance on H.B. No. 1792

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1997-1999 for cost items for collective bargaining unit 11 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1997.

The Office of Collective Bargaining testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1792 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 336 Finance on H.B. No. 1793

The purpose of this bill is to provide fund authorizations and appropriations for fiscal biennium 1997-1999 for cost items for collective bargaining unit 13 and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative.

In accordance with Section 89-10(b), Hawaii Revised Statutes, fund authorizations and appropriations by the Legislature are necessary to cover the cost of implementing collective bargaining agreements negotiated between the State and bargaining unit representatives for the fiscal biennium beginning July 1, 1997.

The Office of Collective Bargaining and the Hawaii Government Employees Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1793 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 337 Agriculture on H.B. No. 1576

The purpose of this bill is to accurately reflect the reorganization of the Measurements Standards Program by:

- (1) Changing the designation of the Measurement Standards Division to the Measurement Standards Branch; and
- (2) Redefining "administrator" to mean the administering officer of the Quality Assurance Division, or any qualified person so designated by the chairperson.

The Chairperson of the Board of Agriculture submitted testimony on this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1576 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Herkes.

SCRep. 338 Judiciary on H.B. No. 455

The purpose of this bill is to amend various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii pursuant to chapter 23G, Hawaii Revised Statutes, to correct errors, update references, clarify language, and delete obsolete or unnecessary provisions.

Your Committee received testimony in favor of the measure from the Legislative Reference Bureau.

Your Committee finds that all of the statutory amendments proposed by the measure are of a purely technical nature and either contain no substantive changes to the law, or, if they have any substantive effect, are done simply to correct the types of errors noted in this report.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 455 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 Hiraki and Menor.

SCRep. 339 Judiciary on H.B. No. 141

The purpose of this bill is to create a qualified immunity for individuals who volunteer their services to nonprofit or governmental entities as long as the volunteers are acting in good faith and within the scope of the volunteer's functions, and the damage and injury was caused by the volunteer's negligent conduct.

Testimony in support of the bill was submitted by the Judiciary, the Office of State Volunteer Services, the Department of Parks and Recreation of the County of Maui, the Institute for Human Services, Inc., Helping Hands Hawaii, the Hawaii Catholic Conference, the Aloha Society of Association Executives, Big Brothers Big Sisters of Honolulu, Inc., the Juvenile Diabetes Foundation International, Hawaii Chapter, the Network of Volunteer Leaders, the Junior League of Honolulu, Inc., the YMCA Works, AIDS Community Care Team, the Moiliili Community Center, St. Francis Medical Center-Liliha, the Maui Center for Independent Living, The Haiku Community Association, and four individuals. The Department of Education supported the intent of this bill. Comments were submitted by the Consumer Lawyers of Hawaii.

Your Committee finds that the unwillingness of volunteers to offer their services in recent years stems from a growing fear that in doing so they open themselves up to the financial risk of lawsuits arising from their activities as volunteers.

Your Committee also finds that although there is a need to ensure that persons who are injured through no fault of their own are adequately compensated, it is in the public interest to protect those individuals who are willing to assist their communities. This bill strikes a balance between these two considerations by providing immunity from negligent acts only when the volunteer is acting in good faith and within the scope of the volunteer's official functions and duties.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 141 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, Hiraki and Menor.
(Representative Herkes voted no.)

SCRep. 340 Judiciary on H.B. No. 1377

The purpose of this bill is to eliminate the requirement for the Judiciary to report disposition of records to the executive branch.

Your Committee heard testimony in support of this bill from the Judiciary.

Your Committee finds that in 1984, section 94-3, Hawaii Revised Statutes, was amended and section 602-5.5 was enacted to give the supreme court complete authority to promulgate rules for the use, retention, and destruction of all judiciary records. Prior to 1984, the destruction and disposition of judiciary records were subject to review by the comptroller. The 1984 amendment of this statute neglected to delete this responsibility from the comptroller. As a separate and co-equal branch of government, the Judiciary should have the exclusive responsibility for maintaining and disposing of its records.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1377 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 Hiraki, Jones, Menor and Yoshinaga.

SCRep. 341 Human Services and Housing on H.B. No. 1989

The purpose of this bill is to appropriate out of the general revenues of the State of Hawaii moneys necessary for youth outreach workers.

Both written and oral testimony submitted by the Office of Youth Services and the Department of Education showed support for the intent of this measure aimed at making funds available for youth outreach workers in their efforts to find, provide support and counseling for, and reconnect at-risk youth who are disconnected, or on the periphery of, the school system and/or the community in general.

The Committee, acknowledging that Hawaii has a relatively large number of youth who are at-risk due to any number of factors ranging from an unstable home environment to involvement in gang activity, passed this bill with several amendments. Of concern of the Committee, in particular, was the need for more coordination between human services and the Department of Education. The Committee believes that more interaction and coordination between the agencies, both public and private, will create a stronger network within which outreach workers can function.

Amendments to the bill included:

- (1) Emphasize intervention along with prevention as desirable strategies for outreach workers.
- (2) Include para-professionals along with professionals as those who work to find and assist the at-risk youth.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1989, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1989, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 342 Human Services and Housing on H.B. No. 1718

The purpose of this administration bill is to address the now slow and cumbersome process by which the Department of Human Services places a lien against the real property of any medical assistance recipient who is an inpatient in a nursing facility, intermediate care facility for the mentally retarded, or other medical institution, pursuant to chapter 91.

Written and oral testimony offered by the Department of Human Services indicated that this amendment to §346-29.5(b), Hawaii Revised Statutes, improves the process by allowing the Department to make a rebuttable presumption that a patient cannot reasonably be discharged from the facility and return home to live if the recipient has been institutionalized for six months or longer without a discharge plan. The Committee agreed that this presumption was reasonable and passed the measure unamended.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1718, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Whalen.

SCRep. 343 Human Services and Housing on H.B. No. 1719

The purpose of this administration bill is to provide sufficient emergency funds to run the Blind Vendor Program and operate the Ho'oponoo workshop for the fiscal year 1996-1997. Increasing the ceiling for the Randolph-Sheppard Revolving Account and Blind Shop Revolving and Handicraft Fund will allow these programs to meet their expenses.

Written and oral testimony offered by the Department of Human Services, and the Commission On Persons With Disabilities, indicated that this measure, calling for increased appropriations, was needed due to increase in the cost of the benefits for the operators of the blind vendor program. Your Committee agreed with this testimony and emphasized that the appropriation has an emergency status and therefore, that this measure should pass unamended.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1719, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Whalen.

SCRep. 344 Human Services and Housing on H.B. No. 1716

The purpose of this administration bill is to revert back to the State the balance of the financial assistance benefits of clients who pass away and who have no surviving family member receiving assistance in the same financial assistance case, or upon abandonment of their electronic benefits transfer (EBT) accounts.

Written and oral testimony offered by the Department of Human Services indicated that this measure, calling for reversion back to the State of funds unused and left in electronic benefits accounts due to the death of a recipient, or upon abandonment, was necessary for accurate and efficient operation of the system. Therefore, your Committee decided that the measure should pass unamended.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1716, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Whalen.

SCRep. 345 Human Services and Housing on H.B. No. 1714

The purpose of this bill is to make an emergency appropriation to implement an electronic benefit transfer system for food stamps and financial assistance programs.

The Department of Health submitted testimony in support of this measure.

Your Committee agrees with the intent of this bill and acknowledges that the authorization to release funds must be dealt with immediately.

Your Committee has amended this measure by:

- (1) Emphasizing that a critical funding emergency exists and that action must be taken immediately; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1714, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Whalen.

SCRep. 346 Human Services and Housing on H.B. No. 1715

The purpose of this bill is to address the fraudulent use of debit cards upon implementation of the electronic benefits transfer (EBT) system.

Written and oral testimony offered by the Department of Human Services and several individual citizens cast light on the new system of benefits transferal and the possibilities of fraudulent use of the cards. The Committee, acknowledging that there will be instances of fraud on the system, as there are with the current system, agreed that the new system will bring efficiencies in service and accuracy and therefore passed the measure unamended.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1715, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Whalen.

SCRep. 347 Human Services and Housing on H.B. No. 2156

The purpose of this bill is to extend the exemption of general excise taxes to affordable rental projects that are developed by a for-profit entity without government assistance.

Your Committee received supportive testimony from the Land Use Research Foundation of Hawaii and Gentry Homes, Ltd. The Housing Finance and Development Corporation and the Department of Taxation commented on this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2156 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 348 Education on H.B. No. 1346

The purpose of this bill is to enable profits from student-run enterprises to be used to purchase equipment and material or to be distributed among the students engaged in the enterprises.

The Department of Education submitted comments on the bill.

One of the major functions of education is to prepare students for the world of work. This bill makes it possible for students to engage in a variety of business enterprises that require them to gain new knowledge and to acquire new skills.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1346 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Morihara, Santiago, Takamine and Yonamine.

SCRep. 349 Education on H.B. No. 129

The purpose of this bill is to establish the Parent-Community Networking Center program statutorily and clarify its goals and objectives.

Your Committee received a considerable amount of testimony in support of this bill. Your Committee finds from the testimony presented that parent involvement and participation in the school benefit not only children, but the school and community as well. Including the Parent-Community Networking Center program in the Hawaii Revised Statutes will help formalize and reinforce parent and community roles in education.

Your Committee agrees with the intent of this bill and has amended this bill by:

- (1) Adding an appropriation clause and by changing the effective date from "upon approval" to "July 1, 1997"; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 129, HD 1, and be referred to the Committee on Finance.

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

SCRep. 350 Education on H.B. No. 130

The purpose of this bill is to deposit funds into the Incentive and Innovation Grant Trust Fund.

The Department of Education submitted testimony expressing appreciation for the Legislature's support for the Incentive and Innovation Grant Program.

Your Committee finds that each school is unique. Each school should pursue an educational strategy that is consistent with the unique character of its students and its community. The expertise for setting this strategy lies within the school, among its staff, students, parents, and larger community. Achieving educational excellence often requires innovative approaches. This bill supports the efforts of those schools that are trying to improve the quality of education.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 130, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Morihara, Santiago, Takamine and Yonamine.

SCRep. 351 Economic Development and Business Concerns on H.B. No. 1698

The purpose of this bill is to permit the temporary use of vessels for film production purposes in areas where these vessels would otherwise be restricted because of state law or administrative rules prohibiting commercial vessel activities in those areas.

Specifically, this bill:

- (1) Excludes from the definition of "commercial vessel" in small boat harbors and Kaneohe Bay, vessels engaged in temporary use for film production purposes in accordance with a film permit issued by Department of Economic Development and Business Concerns (DBEDT); and
- (2) Specifies the period of temporary use, which is not to exceed ten hours a day, two days a week, excluding weekends, and for a period not to exceed thirty calendar days.

Your Committee notes that state departments are sometimes unable to approve certain film permit applications because the proposed vessel activity, while not harmful or disruptive to the environment or the community, may be interpreted as a violation of state laws. While these laws are intended to broadly protect these locations, there should be some flexibility to grant exemptions for filming purposes when it is clear that the proposed film activity will not negatively affect the location and is temporary. Your Committee believes that this flexibility would improve the State's image as a "film friendly" place to do business.

Your Committee received supporting testimony from DBEDT, the Department of Land and Natural Resources, and several individuals in the film industry. The Sierra Club, Hawaii Chapter, submitted testimony in support of the intent of the bill, with reservations.

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

- (1) Broadening the period of temporary use to not exceed fourteen hours a day, five days a week, excluding weekends, and for a period not to exceed thirty calendar days;
- (2) Authorizing DBEDT to make allowances in the period of temporary use to include weekends for film production purposes due to inclement weather conditions during the weekday period; 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 is in accord with the intent and purpose of H.B. No. 1698, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1698, HD 1, and be referred to the Committee on Ocean Recreation and Marine Resources.

Signed by all members of the Committee.

SCRep. 352 Economic Development and Business Concerns on H.B. No. 1699

The purpose of this bill is to expand the financing capabilities of the Department of Business, Economic Development, and Tourism (DBEDT) by:

- (1) Establishing within the Hawaii Capital Loan Program, a loan guarantee that allows DBEDT to guarantee up to ninety percent of the principal balance of a loan made to a qualified small business by a private lender; and
- (2) Allowing the transfer of funds between the Capital Loan Revolving Fund and the Hawaii Strategic Development Corporation (HSDC) Fund.

Your Committee notes that this bill expands DBEDT's financing capabilities, thereby providing increased leverage of DBEDT's limited financial resources and allowing a greater level of loan activity. Furthermore, allowing HSDC the use of capital loan program funds will support business development and job creation opportunities, and attract increased overseas venture investment.

Testimony in support of the bill was received from DBEDT and the Hawaii Congress on Small Business.

Upon consideration, your Committee has amended this bill by:

- (1) Reinstating the provision specifying that the total amount of moneys transferred to the State Disaster Revolving Loan Fund, the Hawaii Capital Loan Revolving Fund, and the Hawaii Innovation Development Fund is not to exceed \$1,000,000 for each fund within the calendar year; and
- (2) Making technical, nonsubstantive amendments to correct formatting errors and for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1699, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1699, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 353 Economic Development and Business Concerns on H.B. No. 1930

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism to institute appropriate economic recovery and development programs in the County of Kauai.

The mayor of the County of Kauai, two Kauai County councilmembers, the Kalapaki Beach Resort Association, the Prince Albert Foundation, the Poipu Beach Resort Association, the Kauai North Shore Business Council, two officers of the Kauai Economic Development Board, the commanding officer of the Pacific Missile Range Facility, and fourteen private individuals submitted testimony in support of this bill. The Department of Business, Economic Development, and Tourism submitted testimony supporting the general intent of the bill, but did not support the present form of the bill.

Your Committee finds that the County of Kauai is in dire need of the economic recovery and development programs that would be supported by this bill. However, your Committee believes that the funding amount for these programs should be determined by the Committee on Finance.

Your Committee has amended this bill by:

- (1) Inserting the sum of \$1 to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1930, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1930, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 354 Economic Development and Business Concerns on H.B. No. 2211

The purpose of this bill is to appropriate funds for fiscal year 1997-1998 for the planning and design of a commercial center and light industrial use area on the island of Lanai.

A Maui County councilmember submitted testimony supporting this bill.

Your Committee has amended this bill by:

- (1) Inserting the sum of \$1 to facilitate further discussion; 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 H.B. No. 2211, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2211, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 355 Economic Development and Business Concerns on H.B. No. 2222

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for the establishment of manufacturing extension programs. The funding is to match federal funds available for such programs.

The Industry Network Corporation submitted testimony supporting the intent of this bill. The Department of Business, Economic Development, and Tourism submitted testimony supporting the intent of this bill, provided that the executive biennium budget is not adversely affected.

Your Committee has amended this bill by:

- (1) Inserting the sum of \$1 to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2222, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 356 Public Safety and Military Affairs on H.B. No. 1707

The purpose of this bill is to permit the Office of Veterans' Services (OVS) to inspect state war memorials and veterans' cemeteries for deficiencies, and report all repair and maintenance problems to the Adjutant General, the Comptroller, and the Legislature every three years instead of on an annual basis.

The OVS submitted testimony in support of this bill.

Your Committee finds that there is an approximate cost of \$12,000 per year for the OVS to prepare its report on repair and maintenance problems for state war memorials and veterans' cemeteries. In addition, with the exception of the Waikiki War Memorial Natatorium, the OVS' last report concluded that all state war memorials and veterans' cemeteries are structurally sound. Your Committee also notes that if any of the state war memorials or veterans' cemeteries are in need of repair or maintenance, the various veterans' organizations will notify the OVS. Based on the potential cost savings for the state, your Committee decided that this bill should be approved.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1707 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 357 Energy and Environmental Protection and Water and Land Use on H.B. No. 1562

The purpose of this bill is to authorize the design and issuance of special vehicle license plates that reflect an endangered native species theme.

Supporting the intent of this measure were the Board of Land and Natural Resources, the Honolulu City and County Acting Director of Finance, the Hawaii Audubon Society, Green Valley Conservancy and an individual.

The bill was amended to create a special youth conservation fund. Fees collected from the sale of the native species license plates will be deposited in a special fund which will be used to partially fund youth conservation programs.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1562, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1562, HD 1, and be referred to the Committee on Transportation.

Signed by all members of the Committees except Representatives Takamine, Morihara and Meyer.

SCRep. 358 Tourism on H.B. No. 666

The purpose of this bill is to establish a convention center training program under the convention center authority to familiarize convention center employees with customs and needs of international convention visitors.

Your Committee received testimony in support of this bill from the Department of Labor and Industrial Relations, Convention Center Authority, University of Hawaii School of Travel Industry Management, and Tourism Training Council.

Your Committee finds that the special nature of the international convention market will require training of visitor industry personnel at all levels, as far in advance of the convention center opening date as possible. The crowds of convention travelers will draw their impressions of Hawaii, not only from the convention center employees, but also from workers in all the other segments of the visitor industry, who should also receive convention training.

In addition to the center's need for trained employees, your Committee further finds that the center will need restoration of funding that had been lapsed in anticipation of savings from pooled insurance that did not materialize.

Your Committee revised the bill by:

1. Expanding the scope of the training to include other convention-related workers in the visitor industry;
2. Adding a provision restoring the funds lapsed in 1996 in anticipation of converting the insurance policies of the convention center to a pooled insurance system;
3. Changing the effective date to provide that the funding sections shall take effect on July 1, 1997; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

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

Signed by all members of the Committee except Representatives Aiona and McDermott.

SCRep. 359 Tourism on H.B. No. 672

The purpose of this bill is to amend the Hawaii Revised Statutes to expand the income-splitting provision for tourism-related services to include goods and apply to destination managers.

Your Committee received testimony as follows:

1. MC&A, in support; and
2. Department of Taxation and Tax Foundation of Hawaii, in comment.

Your Committee finds that destination managers, in providing travel and activity arrangements in a manner similar to travel agents and tour packagers, should likewise be allowed to divide their tax burden.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 672 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

SCRep. 360 Tourism on H.B. No. 2155

The purpose of this bill is to create a temporary health services marketing task force in the Office of the Governor to:

1. Develop plans for marketing Hawaii's health services to the residents of countries in the Asia and Pacific region;
2. Explore and develop plans for establishing health services promotion and marketing offices in key Asia and Pacific countries;
3. Explore the opportunities to establish in Hawaii health care training and educational projects for Asia and Pacific countries; and

4. Explore the feasibility of developing remote telecommunications medical diagnostic and treatment technologies in Hawaii.

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

Your Committee finds that the burgeoning health-related segment of the tourism industry has experienced tremendous growth and can also be an area in which Hawaii can become a leading player, with advantages such as excellent medical facilities and proximity to developing Asian and Pacific nations which do not have the same level of healthcare as the United States.

In addition, your Committee further finds that an interagency health tourism task force already exists, with a purpose similar to that of the task force created by the bill.

Your Committee revised the bill by:

1. Removing all reference to the creation of a temporary health services marketing task force and assigning its duties to the Department of Business, Economic Development and Tourism, in cooperation with the existing Health Tourism Task Force
2. Adding a purpose section explaining the health tourism task force created in 1995; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2155, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2155, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aiona and McDermott.

SCRep. 361 Consumer Protection and Commerce on H.B. No. 1896

The purpose of this bill is to deposit professional and vocational license fees to the credit of the compliance resolution fund rather than to the general fund.

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

Pursuant to statute, fees collected by PVL are deposited into a special fund, the compliance resolution fund. Since this fund covers all costs, direct and indirect, no general funds are used. Consequently, this bill is a "housekeeping" measure in being consistent with PVL'S collection and deposit of fees.

Your Committee is in agreement that it is necessary to insure consistency between specific licensing and current statutory authority governing PVL's collection and deposit of fees.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1896 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 Yoshinaga.

SCRep. 362 Health on H.B. No. 264

The purpose of this bill is to authorize the department of budget and finance, with the approval of the governor, to issue special purpose revenue bonds in a total amount not to exceed \$15 million, in one or more series, for the purpose of assisting the Wilcox Health System.

Testimony was received in support of this measure by the Wilcox Health System.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 264 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 363 Health on H.B. No. 1369

The purpose of this bill is to:

- (1) Appropriate \$28,000 for fiscal year 1997-1998 for a grant-in-aid to the county of Hawaii for seven automatic external defibrillators;
- (2) Appropriate \$36,000 for fiscal year 1997-1998 for a grant-in-aid to the county of Kauai for nine automatic external defibrillators; and

- (3) Appropriate \$52,000 for fiscal year 1997-1998 for a grant-in-aid to the county to Maui for thirteen automatic external defibrillators.

Testimonies in support of this measure were heard from the Department of Health and an individual.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1369 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 364 Health on H.B. No. 1817

The purpose of this bill is to allow a prescription to be transmitted by electronic means within the confines of the State. The highlights of the bill include:

- (1) A practitioner may send a prescription via facsimile or computer to a pharmacy;
- (2) A pharmacy may transfer a refillable prescription electronically to another pharmacy, provided the pharmacies are part of the same company and are located in the State;
- (3) These electronic transactions must be performed in a confidential and secure manner; and
- (4) A sunset provision would allow the law to be evaluated after four years.

Testimonies in support of this measure were heard from the Department of Health, HMSA, Kaiser Permanente, The Hawaii Pharmaceutical Association, and Longs Drug Stores.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1817 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 365 Health on H.B. No. 1886

The purpose of this bill is to clarify that dental hygienists can administer block anesthesia similarly as intra-oral infiltration local anesthesia. Also, the bill deletes language inferring that passage of the dental hygiene examination is dependant on the Board's opinion.

Testimonies in support of this measure were heard by the Board of Dental Examiners and the Hawaii Dental Hygienists' Association.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1886 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 366 Human Services and Housing on H.B. No. 1620

The purpose of this bill is to conform state law with amendments affecting the unemployment insurance program as made by the federal Personal Responsibilities and Work Opportunities Reconciliation Act of 1996 (P.L. 104-193).

Specifically, this bill provides for:

- (1) The deduction and withholding of unemployment insurance benefits for the payment of food stamp overissuances;
- (2) Establishment of state and national new hire directories as part of the operation of the state Child Support Enforcement Program; and
- (3) Disclosure of certain unemployment insurance data to enforce child support obligations and to establish paternity.

The Department of Human Services submitted testimony in support of the intent of this measure. The Department of Labor and Industrial Relations submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that states cannot require the Secretary of Health and Human Services to reimburse one hundred percent of costs related to providing data as a condition of information exchange; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1620, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as H.B. No. 1620, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Whalen.

SCRep. 367 Human Services and Housing and Health on H.B. No. 1842

The purpose of this bill is to:

- (1) Place supportive living facilities under the authority of the Department of Health; and
- (2) Eliminate the "unsupervised, independent living arrangements" program element of the Community Residential Treatment System.

The Department of Health submitted testimony in support of this measure and suggested that amendments be made.

Your Committees have amended this measure by:

- (1) Replacing the phrase "supportive living facilities" with "therapeutic living programs" because it is a more appropriate description;
- (2) Defining "therapeutic living program"; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1842, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1842, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representatives Stegmaier and Pendleton.

SCRep. 368 Agriculture on H.B. No. 1951

The purpose of this bill is to appropriate funds to control plant pests.

Your Committee notes that ongoing research to control plant pests is necessary to stop the harmful intrusion and effects of these pests on our natural environment and ecosystem throughout the State.

Your Committee received testimony in support of the bill from the Nature Conservancy of Hawaii, the watershed supervisor for the Maui Pineapple Company, and the chair of the Melastome Action Committee of Tri-Isle Resource, Conservation and Development Council on Maui, and two individuals. In its testimony, the Department of Agriculture (DOA) indicated its support for the bill as long as the bill's passage does not adversely affect the DOA's budgetary priorities.

Upon consideration, your Committee has amended this bill by:

- (1) Inserting the appropriation sum of \$1 for each year of the 1997-1999 fiscal biennium to facilitate further deliberation on the financial aspect of the bill;
- (2) Changing the expending agency from the Board of Agriculture to the DOA; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1951, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1951, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 369 Agriculture on H.B. No. 2214

The purpose of this bill is to maintain the reputation and integrity and to assure the high standards of the State's renowned coffee industry by:

- (1) Requiring that all Hawaii-grown green coffee beans be inspected and certified by the Department of Agriculture (DOA) for grade and origin unless otherwise specified by DOA rules;
- (2) Authorizing the DOA to adopt rules for establishing a program of self-inspection and certification of agricultural commodities;
- (3) Prohibiting any Hawaii-grown green coffee beans from being shipped outside the area of their geographic origin to any point within or outside the State unless the beans have been inspected and certified by the DOA or by DOA rules; and

- (4) Specifying that the appropriated funds be deposited into the Coffee Inspection Revolving Fund (Fund) to train new coffee inspectors for the purposes of this bill, provided that any revenues collected from the Fund from users of the inspections services be repaid to the general fund.

Testimony in support of the bill was received from the DOA, Superior Royal Kona Coffee, the Big Island Farm Bureau, the Kona County Farm Bureau, the Kona Coffee Council, Captain Cook Coffee Co. Ltd., and an individual.

Your Committee notes that this bill would make the existing voluntary coffee certification program a mandatory program, thereby protecting the quality and reputation of coffee grown in the State. However, to make this mandatory program a sound and workable one, it is the belief of the Committee that DOA conduct regular, spot-check monitoring to verify the certification of the coffee. It is further requested that this spot-check be conducted at least on a quarterly basis.

The Committee recommends that DOA use bills of lading and other shipping documents to ascertain the approximate amount of Kona coffee used by coffee roasters. Although this is not the most accurate way to verify certification, it is the best recommendation that the Committee has at this time. Lastly, it is the intent of your Committee that the DOA give all Hawaii roasters at least four months notice prior to the DOA's initial efforts to spot-check the certification of coffee.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2214 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takai.

SCRep. 370 Higher Education on H.B. No. 248

The purpose of this bill is to authorize the Board of Regents of the University of Hawaii (University) to issue revenue bonds to pay the outstanding construction loan balance for "for sale" units of the Kau'iokahaloa Iki faculty housing development.

The University submitted testimony in support of this bill.

Your Committee finds that the downturn in the housing market, along with other factors, have resulted in sluggish sales of these "for sale" units. Currently, approximately \$3,600,000 is owed to the Housing Finance and Development Corporation (HFDC). This bill authorizes the University to secure private commercial mortgage funding to repay HFDC.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 248, HD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 371 Higher Education on H.B. No. 1470

The purpose of this bill is to appropriate funds for the legislative internship program.

The University of Hawaii and several individuals submitted testimony in support of the measure.

Your Committee finds that the legislative internship program provides valuable educational experiences for participating students. There is probably no better way to learn about the legislative process than to work in a House or Senate member's office.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1470 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Takumi, Yonamine, Halford and McDermott.

SCRep. 372 Higher Education on H.B. No. 1660

The purpose of this bill is to allow University of Hawaii departments and programs to procure goods and services from the University of Hawaii bookstores without regard to the State Procurement Code.

The University of Hawaii and the State Procurement Office testified on this measure.

Your Committee has amended this measure by:

- (1) Making clarifying revisions so that the bill accomplishes its intended purpose;
- (2) Clarifying that the University of Hawaii departments and programs may procure goods and services from the University of Hawaii bookstores that are routinely marketed;
- (3) Allowing the Athletics Department of the University of Hawaii at Manoa to procure goods, services, or construction with moneys from the University of Hawaii at Manoa Intercollegiate Athletics Special Fund (Fund) without regard to the State Procurement Code;

- (4) Requiring the Athletics Department of the University of Hawaii at Manoa to submit an audit on the status of the Fund, including a detailed accounting of expenditures made for goods, services, or construction made without regard to the State Procurement Code, to the Legislature before the 1999 legislative session; and
- (5) Making technical, nonsubstantive amendments to conform with drafting conventions.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1660, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1660, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago, Takumi, Halford and McDermott.

SCRep. 373 Higher Education on H.B. No. 1904

The purpose of this bill is to designate the Board of Regents of the University of Hawaii rather than the state Director of Finance as custodian for land-grant college aid.

A representative from the University of Hawaii submitted testimony in support of this bill. Testimony indicated that the designation of the Board of Regents as the custodian of funds would be consistent with the intent of Congress to establish a perpetual endowment fund with the income from investments to be used for the support and maintenance of at least one college within the State. The testimony also indicated that the Board of Regents is less restricted than the Director of Finance in the kinds of investments that can be made, and that a higher rate of return on investments will be attainable under the Board of Regents.

Your Committee has adopted the recommendation of the University of Hawaii by making the following amendments:

- (1) Providing that all "income" rather than "interest" earned by the funds shall be deemed to be trust money; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1904, HD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1904, HD 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 374 Higher Education on H.B. No. 1993

The purpose of this bill, as received by your Committee, was to appropriate funds for the following Honolulu Community College (HCC) programs for fiscal years 1997-1998 (FY 1997-98) and 1998-1999 (FY 1998-99):

- (1) Automotive technology (\$100,000 for FY 1997-98; \$100,000 for FY 1998-99);
- (2) Integrated school-to-work career development (\$382,442 for FY 1997-98; \$370,751 for FY 1998-99); and
- (3) "Virtual university" learning distance media (\$216,318 for FY 1997-98; \$140,502 for FY 1998-99).

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

While the funds appropriated by H.B. No. 1993 may accurately reflect the sums needed for the operation of the three HCC programs, your Committee finds that flexibility is required as to any exact dollar amounts in light of the State's current fiscal condition.

Accordingly, your Committee has amended this bill by:

- (1) Inserting the sum of \$1 in lieu of the specific amounts appropriated by the measure to facilitate further discussion; and
- (2) Making technical, nonsubstantive revisions for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1993, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1993, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 375 Higher Education on H.B. No. 2003

The purpose of this bill is to provide funding for ten full-time equivalent positions in the Department of Family Planning and Community Health at the John A. Burns School of Medicine at the University of Hawaii at Manoa.

Testimony in support of this bill was received from the University of Hawaii and the Haleiwa Family Health Center.

No testimony in opposition to this bill was received.

Your Committee finds that family practice is a high priority, both nationally and in Hawaii. Your Committee further finds that this appropriation allows the State to match federal funds in seeking and obtaining federal grants. Thus, this appropriation reflects the priority for faculty in the area of family practice.

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

- (1) Deleting the references to ten positions; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2003, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2003, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 376 Higher Education and Culture and the Arts on H.B. No. 2016

The purpose of this bill is to establish a revolving fund for the University of Hawaii-Hilo theatre program.

The University of Hawaii-Hilo submitted testimony supporting the intent of the measure. The State Procurement Office, the Department of Budget and Finance, and the Office of the Auditor submitted comments.

In analyzing the revolving fund, the Office of the Auditor reported that there should be linkage between money generated and expenditures, and that revenues should be sufficient to pay the costs of the program.

The State Procurement Office recommended amending the bill to delete the exemption to Chapters 103 and 103D, Hawaii Revised Statutes, that establish procedures by which state and county agencies procure goods and services.

The bill has been amended by:

- (1) Deleting the exemption to Chapters 103 and 103D, Hawaii Revised Statutes. Your Committees note that procurement for performances, including entertainment and cultural and artistic presentations, are exempt from the procurement law; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Higher Education and Culture and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2016, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2016, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Stegmaier, Takumi, Tarnas, Yonamine and McDermott.

SCRep. 377 Education and Higher Education on H.B. No. 440

The purpose of this bill is to support lifelong learning by appropriating funds for the coordinated planning and programming of continuing education programs.

Supportive testimony was submitted by the Democratic Party of Hawaii. The Department of Education submitted testimony concurring with the intent of this measure.

Your Committees have amended this measure by making technical, nonsubstantive revisions for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 440, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 440, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Santiago, Takamine, Takumi and McDermott.

SCRep. 378 Judiciary on H.B. No. 954

The purpose of this bill is to appropriate funds for a one time membership in the State Court Interpreter Certification Consortium.

The Hawaii Interpreters and Translators Association and a member of the public testified in support of the bill. The Judiciary and the Bilingual Access Line commented on the measure.

Your Committee has amended this bill by:

- (1) Appropriating \$1 for the purpose of further discussion; and
- (2) Making the appropriation for fiscal year 1998-1999.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 954, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 954, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hiraki and Menor.

SCRep. 379 Judiciary on H.B. No. 108

The purposes of this bill are to:

- (1) Require law enforcement agencies to provide relevant information necessary to protect the public in connection with the release of sex offenders;
- (2) Describe the information to be released; and
- (3) Provide notice of sex offender information by publishing the information in the newspaper, on the Internet and through a telephone hotline.

Your Committee received supporting testimony on this bill from the Honolulu Police Department and the Hawaii State Commission on the Status of Women. Opposition to the bill was heard from the Attorney General, the Department of Public Safety and the Office of the Public Defender. The Office of Information Practices expressed concern that releasing a sex offender's home address would constitute an invasion of privacy.

Your Committee finds that instances of sexual offenses are on the rise. Of special concern are the predatory sexual offenses against children. Children are by far the most helpless and vulnerable members of our society and are the individuals most in need of our support and protection.

With this in mind, on May 12, 1996, President Bill Clinton signed legislation popularly known as "Megan's Law" requiring states to release relevant information that is necessary to protect the public. "Megan's Law" is named after 7-year-old Megan Kanka of Hamilton, N.J., who was killed two years ago. Charged with the crime was a convicted sex offender who, unknown to the Kankas, lived across the street from the Kanka's home. This tragedy may have been averted had the Kankas known of the criminal history of their neighbor.

Although your Committee is aware that the rights of those who have served their time and paid their debt to society are important, they are outweighed by the rights of parents to protect their children. As President Clinton stated when signing the federal measure into law, "there is no greater right than a parent's right to raise a child in safety and love.... Today, America circles the wagons around our children." Likewise, your Committee finds that Hawaii's children require the protection and support of their government.

Your Committee also finds that, by Act 231, Session Laws of Hawaii 1991, the legislature allowed the taking of saliva and blood samples of certain convicted defendants for the purpose of secretory status, blood type, and DNA analysis to assist law enforcement officials in the identification of repeat offenders by comparison of their DNA profile to that obtained from bodily fluids or tissues deposited at the scene of a crime. In so doing, the legislature found that there was a compelling need to develop and maintain accurate and complete identification information for certain classes of offenders most likely to repeat and escalate their offenses: sex and violent offenders. The legislature noted that, although a record of fingerprints and photographs of offenders are maintained, many offenders frequently do not leave fingerprints at the scene of their crimes or the crime victims often are too traumatized to review or make an identification from photographs. The legislature also found that the increased likelihood of positive identification of offenders by comparison of their DNA profile to a DNA profile of bodily fluids and tissues deposited at the scene of a crime would, in some cases, deter the commission of additional offenses. Furthermore, the legislature found that the intrusion caused by the taking of a sample of saliva and blood was a limited and reasonable means of assisting in the identification of an offender and was consistent both with the rules of discovery, which permit the testing and examination of defendants for identification purposes, and the diminished expectation of privacy enjoyed by convicted defendants.

Your Committee finds that these arguments are no less compelling today and that the sample taking has indeed resulted in only a limited intrusion. Your Committee notes, however, that Act 231 applied only to sex and violent offenders convicted after July 1, 1992. Consequently, there are many such offenders for whom no DNA profile exists because they had been convicted prior to July 1, 1992. Your Committee finds that sex offenders who victimize children are particularly abhorrent to society and their actions can destroy the lives of their young victims. Accordingly, your Committee finds that there is an equally compelling need to develop DNA profiles of a limited class of sex offenders, those who victimize children, who are currently serving out their sentence, but were convicted prior to July 1, 1992.

Your Committee amended this bill by including many of the provisions of HB1596, a bill prepared by the Attorney General and favored by the Attorney general as an alternative to HB108. Amendments incorporated from HB1596 revise the requirements for registration of sex offenders pursuant to the Jacob Wetterling Crimes Against Children and Sexually Violent Offender Registration Program, 42 U.S.C. section 14071, to assure continued availability of federal funds to the State. The amendments will broaden the covered sex offenses to also include kidnapping and false imprisonment of a minor, solicitation of a minor to engage in sexual conduct and solicitation of a minor to engage in the practice of prostitution. The amendments also require the Department of the Attorney General to post information on the Internet and to operate a hotline for phone inquiries, but eliminate release of the sex offender's exact street address and employee's exact street address, and, instead, provide only street names and zip codes. The information is also transmitted to the

FBI. The requirement to publish sex offender's names and other information in the newspaper is also eliminated because of the cost.

The amendments require verification of sex offender registration information every 90 days. Failure to register timely shall be a misdemeanor, as provided in the original HB108. Release of the sex offender's psychological treatment information, which is confidential to the offender, would not be released because of its limited value to the public and the possibility of legal challenges to the constitutional right of privacy. These changes are intended to address concerns raised by the Office of Information Practice. Additionally, provisions of HB62 are included in HB108 HD1, requiring blood and saliva samples to be obtained from prisoners prior to release for the purpose of DNA analysis.

Finally, HB108 is amended to appropriate funds for the program to the Department of the Attorney General, rather than the Department of Public Safety since the bulk of the operational responsibility established by this bill is placed with the Attorney General.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 108, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Hiraki and Whalen.

SCRep. 380 Judiciary on H.B. No. 1379

The purpose of this bill is to increase the number of intermediate appellate court judges from one chief judge and three associate judges to one chief judge and eight associate judges.

Your Committee received testimony in support of this bill from the Judiciary and from a practicing attorney.

Your Committee finds that the current caseload of the appellate courts is more than the supreme court. The intermediate appellate court can process cases in the traditional manner, which includes oral argument and written explanatory opinions. As an emergency measure to timely dispose of the cases pending, the appellate courts have had to limit oral argument and issue summary opinions. The public's perception of justice suffers, and the written record of the court's reasoning is not preserved for use in future cases when courts are forced to summarily dispose of appeals.

Your Committee finds, additionally, that, while this bill does not appropriate any additional funds to increase the number of judges in the intermediate appellate court, it expects that when funding becomes available in the future, the court will have the flexibility to review cases with two panels of three judges each.

Your Committee has amended this bill by changing the number of associate judges from eight to five.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1379, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1379, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Jones, Menor and Yoshinaga.

SCRep. 381 Judiciary on H.B. No. 1828

The purposes of this bill are:

- (1) To substitute the term "delayed" in connection with vital statistics event registration with the term "late" registration to allow present staff of the Office of Health Status Monitoring to process both delayed and late registrants; and
- (2) To repeal subsection (d) of section 338-18, Hawaii Revised Statutes, because the unrestricted release of vital statistic index data can inadvertently reveal confidential information and be used for fraudulent purposes.

Your Committee heard testimony supporting this bill from the Department of Health. The Office of Information Practice testified before your Committee, but took no position on this bill.

Your Committee finds that there is a specific civil service job classification for "delayed vital records registration clerk." The positions responsible for delayed registration were abolished, leaving the Office of Health Status Monitoring without staff to register these vital events. Because delayed registration is statutorily defined, other vital records registration staff cannot be legally required to perform delayed registration functions because these functions are not part of their existing job classifications. By revising the law to change the term "delayed" registration to "late" registration, the statutory barrier will be eliminated and the function can be incorporated into the responsibilities of the existing staff that currently takes care of late registration matters.

Your Committee also finds that public access to vital statistics index data results in many unintended consequences because of computer technology and the use of the data for fraudulent purposes. The ability of the computer to combine information (index data) from vital statistics records can inadvertently reveal confidential information. By deleting section 338-18(d), access to such confidential information is no longer authorized.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1828, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1828, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Jones, Menor and Yoshinaga.

SCRep. 382 Economic Development and Business Concerns on H.B. No. 1529

The purpose of this bill is to make:

- (1) Retail businesses eligible for Enterprise Zone (EZ) tax benefits if the business is located in a historic district that is also a redevelopment district; and
- (2) Downtown Hilo eligible for designation as an EZ.

The Hilo Downtown Improvement Association and an individual submitted testimony in support of this bill. Testimony in opposition to this bill was submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that including within the definition of a "qualified business," a retail business that is located in a historic district that is also a redevelopment district, and making the Downtown Hilo area eligible for designation as an EZ, are necessary to promote economic recovery in those areas.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1529 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Cachola and Jones.

SCRep. 383 Economic Development and Business Concerns on H.B. No. 2037

The purpose of this bill is to appropriate funds for fiscal year 1997-1998 to plan and design a business incubator for science and technology within the University of Hawaii-Hilo park.

Testimony in strong support of this bill was submitted by the High Technology Development Corporation (HTDC). Supporting testimony was also submitted by the County of Hawaii, the Hawaii Island Economic Development Board (HIEDB), and the Chair of HIEDB's Science and Technology Committee. The Director of the Office of University Relations at the University of Hawaii-Hilo submitted testimony in support of the intent of this bill.

Your Committee has amended this bill by:

- (1) Changing the sum to \$1 for plans and \$1 for design to facilitate further discussion on the financial aspects of the bill; and
- (2) Changing the name of the expending agency to HTDC.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2037, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2037, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 384 Economic Development and Business Concerns on H.B. No. 74

The purpose of this bill is to provide a ten-year state income tax and general excise tax exemption for certain Hawaii computer software businesses.

Specifically, this bill proposes to do this by:

- (1) Excluding income derived from the development or sale of computer software, from gross income, adjusted gross income, and taxable income; and
- (2) Exempting all of the gross proceeds arising from technical services necessary for the production and sale of computer services from general excise taxes, whether or not the computer software is intended for shipment or transmission to a customer within the State or outside the State.

Testimony in support of this bill was received from the High Technology Development Corporation, the Associate Director of the University of Hawaii Professional Assembly, Jarrett Technology Solutions, Inc., Postcard Software, Hawaii Internet Emporium, Inc., Digital Hawaii, Worldpoint Interactive, Inc., and two individuals. Comments were submitted from the Department of Taxation, the Tax Foundation of Hawaii, and an individual.

Your Committee believes that the establishment of a five-year tax exemption period would be ample time to provide further economic development incentives to encourage computer software developers and to establish new businesses in Hawaii. Your Committee also finds that this tax exemption period will have a minimal impact on the state budget because the State currently derives little tax revenue from these businesses.

Your Committee amends this bill by:

- (1) Reducing the tax exemption period from ten years to five years; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 74, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 74, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 385 Higher Education on H.B. No. 1652

The purpose of this bill is to allow a resident taxpayer with an adjusted gross income tax not exceeding \$150,000 to claim an income tax deduction of up to \$5,000 for tuition paid to colleges, universities, or vocational training schools on behalf of student dependents under the age of twenty-four years.

Testimony in support of this measure was submitted by the Department of Taxation. The University of Hawaii supported the intent of the measure. The Department of Budget and Finance submitted comments.

Your Committee has amended this measure by:

- (1) Limiting the deduction for tuition paid to colleges, universities, or vocational training schools in Hawaii;
- (2) Deleting the \$150,000 gross adjusted income tax limit and leaving a blank amount for discussion purposes;
- (3) Deleting the \$5,000 deduction limit and leaving a blank amount for discussion purposes;
- (4) Deleting the student age limitation of twenty-four years; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1652, HD 1, and be referred to the Committee on Finance.

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

SCRep. 386 Economic Development and Business Concerns on H.B. No. 899

The purpose of this bill is to support the Hawaii Main Street Program (Program) by:

- (1) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to oversee and administer the Program; and
- (2) Appropriating funds to fund a Hawaii Main Street Coordinator position within DBEDT to administer the Program.

Your Committee received testimony in support of the bill from the Big Island Business Council. The DBEDT and the Department of Land and Natural Resources indicated their support for the bill as long as the bill's passage does not jeopardize the departments' budgetary priorities.

Upon consideration, your Committee has amended this bill by:

- (1) Inserting the sum of \$1 for each year of the 1997-1999 fiscal biennium to facilitate further deliberation on the financial aspects of the bill; 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 Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 899, HD 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 899, HD 2.

Signed by all members of the Committee.

SCRep. 387 Education on H.B. No. 1506

The purpose of this bill is to appropriate funds for school-based clinics at Kahuku High School, Mililani High School, and Kapaa High School.

Hale 'Opio Kaua'i, Inc. and the Kahuku High School-Based Health Center submitted testimony in support of the bill. The Department of Education and the Department of Health submitted testimony supporting the intent of the bill. AFC Educational Foundation Hawaii and an individual submitted comments on the bill.

Your Committee finds that these on-campus clinics promote access to health care for students. Sufficient safeguards are in place to ensure that the services provided are consistent with community values and that individual parents can control their children's access to these services.

During the hearing, a concern was raised regarding the average cost per visit at the various health centers. However, your Committee is also aware that "visits" do not constitute the entirety of efforts of a health center, which engages in many prevention activities that are not included in the cost per visit statistic. The three existing school-based clinics provide needed services to students, who may otherwise not have access to these services.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1506 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Morihara, Santiago, Takamine and Yonamine.

SCRep. 388 Finance on H.B. No. 2174

The purpose of this bill is to create a public-private infrastructure program to transfer projects to improve infrastructure systems and facilities from the public to the private sector or to expedite and allow the creation of infrastructure systems and facilities.

Your Committee has made technical, nonsubstantive amendments to conform to drafting style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2174, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2174, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 389 Finance on H.B. No. 1690

The purpose of this bill is to continue to allow the Departments of Education, Health, and Human Services to pay for expenses associated with the Revenue Maximization Project and to exempt the Hawaii Health Systems Corporation from the requirement requiring the transfer of their maximized revenues into the Interagency Federal Maximization Revolving Fund.

The Department of Accounting and General Services and the Hawaii Health Systems Corporation testified in support of this measure.

Your Committee made technical, nonsubstantive amendments to the bill to conform to drafting style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1690, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1690, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 390 Finance on H.B. No. 1804

The purpose of this bill is to assure that adequate funds are available to maintain and repair state facilities by creating a Repair and Maintenance Special Fund funded by one percent of all state general obligation bond fund appropriations for capital improvements designated for the construction cost element.

The Department of Accounting and General Services testified in support of the intent of this measure. The Department of Budget and Finance commented on this measure.

Your Committee has amended the bill to:

- (1) Use one-half of the one percent of CIP construction costs currently earmarked for the Works of Art Special Fund to fund the Repair and Maintenance Special Fund;
- (2) Limit the use of the Repair and Maintenance Special Fund to projects whose benefits are expected to be long term; and
- (3) Make technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1804, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1804, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

(Representative Fox voted no.)

SCRep. 391 Judiciary on H.B. No. 617

The purpose of this bill is to replace the term "illegitimate child" with the phrase "child born to parents not married to each other," in laws relating to descent of property, marriage, family court, and children generally. The bill also removes the label of "illegitimacy" from children born to parents who were not married to each other.

Your Committee received testimony from the Hawaii State Commission on the Status of Women and the Office of Hawaiian Affairs supporting the purpose of the bill.

Your Committee also received testimony from the County of Hawaii Office of the Corporation Counsel supporting the intent of the bill and suggesting amendments in the interest of clarity and syntax.

Your Committee agrees with the suggested amendments and has amended the bill to incorporate these suggested 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 H.B. No. 617, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 617, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Hiraki and Menor.

SCRep. 392 Judiciary on H.B. No. 107

The purpose of this bill is to make case proceedings and records of certain law violators open to the public. The bill would also eliminate the requirement that certain juvenile records be expunged and requires the juvenile's photograph to be made a permanent part of the family court and police records in certain cases.

Your Committee received testimony from the Department of the Prosecuting Attorney and the Police Department supporting the intent of the bill.

Your Committee also received testimony from the Office of the Public Defender and the Office of Youth Services, who opposed the bill's clear departure from the current law, practice and philosophy of the juvenile justice system.

Under current law, access to juvenile proceedings and records is extremely limited. This cloak of confidentiality is in keeping with a juvenile justice system designed to rehabilitate and protect minors from the stigma of youthful indiscretions. The existing system, premised upon confidentiality was not a problem or even an issue when youthful indiscretions were of a minor nature. However, as juvenile crime has steadily risen in seriousness and scope, community protection and the public's right to know has begun to displace confidentiality as a bedrock principle.

Your Committee believes that introducing a measure of openness to the juvenile justice system will restore public confidence in the process.

Your Committee finds however that a carte blanche dismantling of confidentiality is not prudent or appropriate. We are still dealing with juvenile offenders who have not been waived to the adult criminal justice system, not adults. There needs to be a balancing of a juvenile's right to privacy with the public's right to know. There needs to be a balancing of the interests of juvenile status offenders and other juveniles who commit less serious offenses with the propriety of opening proceedings and records of more seasoned juvenile offenders. Legal and social records need to be distinguished, the latter containing more sensitive material not appropriate for unfettered public inspection. Judicial discretion must be retained and provision for expungement must be included.

With these principles in mind your Committee has amended this bill by:

1. Defining legal and social records;
2. Providing that proceedings be open to the public and legal records open for public inspection for a child, twelve years of age or older who comes within section 571-11(1) Hawaii Revised Statutes (HRS), and is taken into custody for an act that if committed by an adult would be:
 - (a) a class A felony and the child has one or more prior adjudications as a law violator, or
 - (b) a class B or C felony or an act involving theft or criminal property damage in excess of \$100 and the child has more than one prior adjudication as a law violator;
3. Providing that the court may overcome a presumption in favor of open proceedings and public inspection of legal records upon a finding of significant and compelling circumstances peculiar to a case;
4. Providing that social records shall be open for inspection as provided in section 571-84 HRS;
5. Providing that a juvenile subject to this section and subsequently not adjudicated as a law violator shall have all official records of the proceedings expunged upon attaining the age of nineteen;
6. Providing that a juvenile subject to this section and subsequently adjudicated as a law violator may upon attaining the age of nineteen, apply for an order expunging all official records of the proceedings, provided five years have

elapsed since the final discharge of the individual, and the individual has not been subsequently convicted of a crime or adjudicated as a law violator and no proceeding is pending seeking such conviction or adjudication;

7. Setting forth factors a court should consider in deciding an application for expungement;
8. Deleting language amending section 712-1256 HRS relating to expunging of court records as being inapplicable to this bill as amended;
9. Eliminating deletion of provision providing for automatic expungement of a juveniles fingerprints at age twenty five in section 846-2.5 HRS, as being contrary to the expungement provisions included in this bill as amended; and
10. Making technical, nonsubstantive changes for purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 107, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hiraki, Yoshinaga, Pendleton and Whalen.

SCRep. 393 Higher Education on H.B. No. 867

The purpose of this bill is to authorize the University of Hawaii Board of Regents to establish for university executives, faculty, and other personnel an optional retirement plan that serves as an alternative to the employees' retirement system.

The University of Hawaii (University) and the University of Hawaii Professional Assembly submitted testimony supporting the concept of establishing an optional retirement plan. However, they requested the measure be deferred pending the results of a Legislative Auditor's study.

Pursuant to H.C.R. No. 276, S.D. 1, which was adopted by the 1996 Legislature, the Legislative Auditor was requested to conduct a study on the feasibility of an optional retirement plan for University of Hawaii employees. Your Committee believes that this study should be considered before deciding whether or not to allow the University to establish an optional retirement plan. However, your Committee is reporting out this bill to ensure that a legislative vehicle is available to address this issue pending receipt of the study.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 867 and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

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

SCRep. 394 Labor and Public Employment and Consumer Protection and Commerce on H.B. No. 102

The purpose of this bill is to allow employers to utilize coordinated care organizations (CCO) to furnish medical care, services, and supplies to injured workers.

The bill requires CCOs to be certified by the Department of Labor and Industrial Relations (DLIR) with biennial recertification. Certification requirements include the following:

- (1) Established quality and treatment standards with treatment protocols and utilization guidelines based on customary medical practices;
- (2) Listing of the health care providers who will be providing services under the plan;
- (3) Nonexclusion of any category of health care providers;
- (4) Access to an adequate number of each category of providers;
- (5) Evaluation and peer review of health care providers;
- (6) Incentives to reduce costs without sacrificing the quality of care;
- (7) Access to workplace safety and prevention programs; and
- (8) Access to return to work and vocational rehabilitation programs.

H.B. No. 102 provides adequate safeguards to insure quality of care by involving injured workers in surveys of customer satisfaction and requiring reporting of customer complaints of a CCO's service to the DLIR.

Employee selection of health care providers is also permitted by the bill. CCOs are required to provide injured workers with a choice among a number of health care providers from the various categories of health care providers. Additionally, an injured worker is allowed to receive immediate emergency medical treatment from a non-CCO provider and with certain restrictions, to receive care from a family physician, a doctor who maintains the worker's medical records, or with whom the worker has a documented history of treatment. An employer may offer its employees a choice among two or more CCOs to increase the choice among health care providers, and physicians and other health care providers may contract with more than one CCO further increasing employee choice.

H.B. No. 102 excludes CCOs from the medical fees schedule in section 386-21, allowing CCOs to negotiate fees for services. The DLIR's 1995 report recommended excluding CCOs from the medical fees schedule believing that "...the non-regulated model is the more workable and would provide a more competitive environment." The DLIR reported that under a negotiated model, creative incentives are often negotiated to facilitate the provision of "reasonable and necessary health care services to the injured worker."

H.B. No. 102 requires CCOs to establish a dispute resolution process and provides that if a dispute arising from a quality assurance review, peer review, or from medical treatments, cannot be resolved within two weeks, any party to the dispute can request DLIR to make a final decision on the matter. The DLIR, in its 1995 report to the Legislature, recommended that CCOs be required to "...establish time sensitive internal review and dispute resolution processes with government intervention mandated for situations failing the internal review and dispute resolution process" and that those processes be necessary only for those situations outside of established protocols and treatment guidelines. The bill also permits appeals of the DLIR's decision to the labor and industrial relations appeals board (LIRAB).

Finally, H.B. No. 102 provides for the confidentiality of information arising from a CCO's utilization, peer review, and treatment evaluation processes grants limited immunity from civil liability to participants of the review process. The intention in keeping such information confidential is to allow the participants in the process to be candid in their evaluation of their peers, the treatment protocols, and utilization guidelines, with the objective of improving the quality of care.

Your Committees received testimony from the DLIR recommending that the bill be held and that the plans being negotiated through collective bargaining be monitored. However, testimony was received from the Pacific Resource Partnership, one of the parties to the collective bargaining negotiations, supporting the bill to establish minimum CCO quality standards which can be used for reference purposes in negotiations.

The DLIR further testified that, if the bill is passed, CCOs should be licensed as a mutual benefit society or as a health maintenance organization. The DLIR also recommended that section 386-21(b), relating to choice of physician, be amended to conform to this bill.

Both the Hawaii Insurers Council and the Hawaii Medical Service Association (HMSA) opposed the provision prohibiting CCOs that are formed, owned, or operated by an insurer. Employer formed, owned, or operated CCOs are also prohibited. The objective of the restrictions is to prevent an insurer from directing its clients to its CCO or an employer from directing its employees to the employer-owned CCO, the "company doctor".

While your Committees desire to avoid the problems encountered on the mainland with HMOs that are more concerned with profits than with the quality of care dispensed, we do not want to further limit choice by excluding a qualified CCO solely on the basis that it is formed, operated, or owned by an insurer or employer. Insurer or employer CCOs will be measured by the strict standards established by the bill and certification will be granted or denied based upon those standards.

In addition, HMSA requested that the risk-bearing entity, the insurer, not be excluded from the CCO selection process.

Your Committees have amended this bill by:

- (1) Requiring that a CCO be certified by the insurance commissioner as a health maintenance organization or a mutual benefit society;
- (2) Permitting CCOs formed, owned, or operated by insurers and employers to be qualified as CCOs;
- (3) Allowing an employer or insurer of an employer to contract with CCOs;
- (4) Providing that CCOs create a documentary record during the dispute resolution process sufficient for appeal to the LIRAB to be consistent with the provision permitting parties to appeal a DLIR decision to the LIRAB;
- (5) Inserting the sum of \$20,000 as the application fee for qualification as a CCO;
- (6) Amending subsection 386-21(b) to conform to the provisions of this bill; and
- (7) Making technical, nonsubstantive revisions for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Labor and Public Employment and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 102, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 102, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Herkes, Hiraki, Takumi, Kawanakoa and Whalen.

SCRep. 395 Labor and Public Employment on H.B. No. 1044

The purpose of this bill is to strengthen the protection provided by Hawaii's Whistleblowers' Protection Act by providing protection to employees who report violations of law, rule, regulation, ordinance; violations of a code of ethics; or the following:

- (1) Danger to public health, safety, and welfare;

- (2) Gross negligence;
- (3) Incompetence;
- (4) Gross misconduct;
- (5) Improper actions;
- (6) Mismanagement;
- (7) Fraud;
- (8) Waste, misuse, and misappropriation of public resources;
- (9) Malfeasance, misfeasance, or neglect of duty by an agency; or
- (10) Abuse of authority.

In addition, this bill strengthens the remedies available to whistleblowers and increases the penalties for violations.

Testimony in support of this measure was submitted by the Hawaii Nurses' Association, Common Cause Hawaii, and the Hawaii Operating Engineers Industry Stabilization Fund. The Department of the Attorney General submitted testimony in support of the intent of this measure. Opposing testimony was submitted by the Chamber of Commerce of Hawaii and Keauhou Beach Hotel.

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

- (1) Deleting the following types of whistleblowing activities:
 - (A) Gross negligence;
 - (B) Incompetency;
 - (C) Inefficiency;
 - (D) Gross misconduct;
 - (E) Improper actions;
 - (F) Mismanagement; and
 - (G) Abuse of authority;
- (2) Clarifying that the whistleblower provisions are subject to the Uniform Information Practices Act to protect significant privacy interests, including privileged matters;
- (3) Deleting the provision that exempts employees from following any internal administrative or collective bargaining procedures or submitting to mandatory arbitration in pursuing a claim;
- (4) Clarifying that the State is not liable for punitive damages;
- (5) Clarifying that a complainant is not entitled to recover duplicative remedies for the same claim;
- (6) Deleting the provision that awards costs of the litigation to the defendant in the event that the court determines that the complaint was frivolous or without basis in law or fact; and
- (7) Making 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 H.B. No. 1044, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1044, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Hiraki, Takumi and Marumoto.

SCRep. 396 Labor and Public Employment on H.B. No. 1605

The purpose of this bill is to maintain public confidence in good government by:

- (1) Requiring that all public officers and employees convicted of felonies shall forfeit their public office or employment; and
- (2) Authorizing the courts to order forfeiture of public employment as part of sentencing.

The Department of the Attorney General submitted testimony in support of this measure. Opposing testimony was submitted by the University of Hawaii Professional Assembly.

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

- (1) Clarifying that all public officers and employees convicted of class A felonies shall forfeit their public office and employment; 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 Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1605, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Suzuki.

SCRep. 397 Labor and Public Employment on H.B. No. 1870

The purpose of this bill is to amend section 431:14-103(c), Hawaii Revised Statutes, to provide that an employer shall only be entitled to a five percent workers' compensation insurance premium discount if the employer maintains a safety and health program in place for the entire policy period in which the five percent discount is received.

Current law requires an insurer to provide an employer with a five percent workers' compensation insurance premium discount if the employer obtains a certificate from a certified safety and health professional for having an effective safety and health program.

Your Committee received testimony from the Department of Commerce and Consumers Affairs (DCCA) which testimony indicated that under current law, an employer could obtain a discount for the entire policy period even if that employer discontinued or diminished a certified safety and health program immediately after obtaining the certification. That employer would essentially have its premiums subsidized by other employers. The DCCA supported a discount for the entire policy period only when an employer maintained the effective safety and health program throughout the policy period.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1870 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 Takumi.

SCRep. 398 Labor and Public Employment on H.B. No. 1812

The purpose of this bill is to:

- (1) Eliminate department heads from filing a disability application on behalf of an incapacitated employee;
- (2) Provide active death health coverage for eligible members; and
- (3) Protect a member's active death benefit should death occur while the member is on authorized leave without pay.

Your Committee received testimony in support of this bill from a representative of the Employees' Retirement System. Testimony indicated that the bill would be fair and equitable to the membership, especially to the families of members who had contributed years of public service.

Currently, department heads must file a disability retirement application for incapacitated employees in order to ensure retirement and health benefits for their spouses and dependents upon death. This bill replaces the department head with the person appointed by the family court as guardian of the incapacitated member.

Currently, if an active member had 20 years of credited service, but was not eligible for retirement at the time of death, the surviving spouse and dependent children would not be entitled to health fund benefits. Since members with at least 10 years of credited service who are eligible for ordinary disability retirement are also qualified for survivor health fund benefits upon death, this bill provides comparable health benefits if this same member dies in service without filing an application. This bill also eliminates the need for members to file disability retirement applications to protect the health fund benefits for their families.

Currently, members who have exhausted their accumulated sick leave due to a long term illness and are on authorized leave without pay, are not eligible for active death benefits if death should occur while on such leave. With a minimum of 10 years of credited service, they may, however, apply and be approved for ordinary disability retirement. This bill makes the active death benefit consistent with the ordinary disability retirement benefit by allowing qualified members to be eligible for any active death benefit they may be entitled to, if death occurs while on authorized leave without pay.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1812 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 399 Labor and Public Employment on H.B. No. 1815

The purpose of this bill is to allow the Board of Trustees of the Employees' Retirement System (ERS) to appoint a chief investment officer to serve under the board.

The administrator of the ERS submitted testimony in support of this bill.

Your Committee finds that a chief investment officer is needed to ensure that the ERS' investment program objectives are met. The chief investment officer will enhance the oversight of in-house investments and investment management firms by increasing investment returns and minimizing investment expenses, which should reduce the State and counties' appropriations to the ERS.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1815 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 400 Labor and Public Employment on H.B. No. 1810

The purpose of this bill is to require public safety investigative staff investigators to work in this capacity in the last five years prior to retirement, in order to receive the 2-1/2% retirement benefit.

Testimony in support of this bill was received from the Employees' Retirement System.

No testimony in opposition to this bill was received.

Under current law, all police officers, firefighters, and other groups who receive the 2-1/2% retirement benefit must work in these capacities in the last five years prior to retirement.

Your Committee believes that the intent of this bill is to ensure that all 2-1/2% benefit groups are treated in a consistent manner and have the same requirements.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1810 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 401 Labor and Public Employment on H.B. No. 1798

The purpose of this bill is to permit the Employees' Retirement System (ERS) to release records of retirants and beneficiaries to the Hawaii Public Employees Health Fund (Health Fund) to disburse Medicare Part B reimbursements by electronic fund transfer.

The Health Fund and the Retirees Unit, Hawaii Government Employees Association submitted testimony in favor of this bill.

Your Committee finds that this measure will result in the increased efficiency in the processing of Medicare B reimbursement claims, reduce Health Fund postage and administration costs, and enable retirees to obtain reimbursement for their out-of-pocket medical expenses more quickly.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1798 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Suzuki.

SCRep. 402 Labor and Public Employment on H.B. No. 1622

The purpose of this bill is to:

- (1) Add a new definition of "non-physician" to Chapter 386, Hawaii Revised Statutes; and
- (2) Allow the Director of the Department of Labor and Industrial Relations to sanction non-physicians in the same manner as health care providers.

The Department of Labor and Industrial Relations submitted testimony in support of this bill. The ILWU Local 142 submitted testimony in opposition to this bill.

Your Committee finds that under current law, the Director of the Department of Labor and Industrial Relations cannot sanction non-physicians. However, non-physicians are able to treat injured employees under the direction of an attending physician, and should therefore be subject to the same standards of conduct and sanctions as a physician.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1622 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 Takumi.

SCRep. 403 Labor and Public Employment on H.B. No. 1615

The purpose of this bill is to provide that the payment for vacation allowance upon separation from service for a State employee hired after June 30, 1997, is to be computed using the employee's rate of pay and the amount of accumulated and accrued vacation as of the termination date.

The Department of Human Resources Development submitted testimony in favor of this measure.

Current law permits a terminated employee to receive a lump sum payment for the employee's vacation credits and provides that the payment be calculated as if the employee is still in service. The result is that an employee's lump sum vacation payment may include negotiated pay increases and compensation for holidays which took place after the

employee's separation date. Your Committee finds that the change proposed by this measure is consistent with the purpose of a negotiated pay increase, the recognition of current service, not past service.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1615 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 404 Labor and Public Employment on H.B. No. 817

The purpose of this bill is to extend for an additional two years, the bonuses paid to state and county pensioners under Act 339, Session Laws of Hawaii 1990.

Testimony in support of this measure was received from the Retirees Unit, HGEA/AFSCME Local 152, the Coalition of Hawaii State/Counties Retirees, Inc., the Hawaii State Teachers Association, and a number of retirees. The Department of Budget and Finance submitted testimony in opposition of the bill. Comments were received from the Employees' Retirement System.

Your Committee finds that the bonus amounts paid under Act 339 are needed by pensioners to keep up with the high cost of living in Hawaii.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 817 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 405 Transportation on H.B. No. 225

The purpose of this bill, as referred to your Committee on Transportation, is to reduce temptations for racing on highways by increasing penalties for violators.

Your Committee finds that participants, passengers, interested bystanders, and innocent pedestrians and occupants of other vehicles may suffer injuries and fatalities from speeding vehicles being driven on our highways in races, drag races, contests, and exhibitions. Your Committee further finds that stricter penalties for illegal uses of highways may deter these activities.

This bill proposes to increase fines for violators, except from exhibitions of speed, from \$500 to not less than \$750, and classify such violations as misdemeanors. In addition, passengers in vehicles operated by persons who are subsequently convicted of violations shall be penalized by fines.

Testimonies in support of this bill were heard from the Department of Transportation, the City and County of Honolulu, the Windward Neighborhood Security Watch Coordinators Group, a Representative, the Island Neck & Back Clinic, Inc., Mothers Against Drunk Driving, and interested citizens.

Your Committee has amended this bill by deleting subsection (f), relating to the punishment of passengers, and then renumbering the subsections to conform to this deletion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 225, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 225, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 406 Transportation on H.B. No. 447

The purpose of this bill, as received by your Committee on Transportation, is to reduce the use of herbicides along public roads.

Your Committee finds that the use of herbicides along public roads is effective in controlling vegetation, but that negative effects to the health of workers and the environment indicate that uses of chemical herbicides should be reduced. Your Committee further finds that the use of herbicides could be reduced by utilizing appropriate nonchemical resources for maintenance and control of vegetation along roadways.

This bill proposes to reduce dependence on herbicides by having agencies of the State and counties, responsible for maintenance of public roadsides, adopt integrated vegetation management programs that include mechanical, manual, cultural, biological, thermal, and structural resources, as substitutes for chemicals. Goals have been established for herbicide reduction.

Testimonies in support of this measure were heard from the Department of Transportation, the Department of Health, the Democratic Party of Hawai'i, and the Sierra Club, Hawaii Chapter. Testimony in opposition to this measure was heard from the City and County of Honolulu. Applied Public Relations offered comments relative to risks from chemical herbicides, and other language in the bill.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 447, HD 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 447, HD 2.

Signed by all members of the Committee.

SCRep. 407 Transportation on H.B. No. 497

The purpose of this bill, as referred to your Committee on Transportation, is to increase the safety of motor vehicle operation when visibility is adversely affected.

Your Committee finds that the visibility of vehicle drivers is diminished when it is raining, resulting in the potential for accidents to occur. Your Committee further finds that it is easier for other drivers to see and respond to the movements of other vehicles when lights are on.

This bill proposes to have drivers switch on their headlights when it is raining.

Testimonies in support of this bill were heard from an insurance company, as a measure to reduce accidents; and from two citizens who commute to work.

Your Committee has amended this bill by being more specific about when lights are to be turned on: "Every motor vehicle, except a motorcycle, motor scooter, or motorized bicycle, moving upon any public highway at any time when windshield wipers are in use, as a result of rain or other unfavorable atmospheric conditions, and at such other times when visibility for a distance of one thousand feet ahead of the motor vehicle is not clear, shall carry at the front thereof at least two lighted head lamps, which shall display white lights of equal candle power."

Your Committee has further amended this bill by imposing a fine of \$10 for a violation of the headlight requirement when windshield wipers are in use.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 497, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 497, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 408 Transportation on H.B. No. 761

The purpose of this bill, as referred to your Committee on Transportation, is to help ensure that motor vehicles are safety-checked after owners have been cited for delinquency.

Your Committee finds that under the present law a vehicle owner with an expired safety sticker is fined not more than \$100. Your Committee further finds that after paying the fine, the owner may continue to drive without having the safety of the person's vehicle checked.

The proposed law permits the vehicle owner with a citation for an expired safety sticker to have the fine waived if the violator submits proof of a safety check to the circuit court within two business days from the date of the citation, together with payment of a processing fee.

Testimonies in support of this measure were heard from the Rural South Hilo Community Association, and an interested citizen.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 761, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 761, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 409 Transportation on H.B. No. 1329

The purpose of this bill is to appropriate funds to assist Maui in operating a private Molokai to Maui boat service.

Your Committee finds that the weak economy on Molokai has contributed to its high unemployment rates and lack of affordable transportation to Maui. The Molokai to Maui ferry which was closed in 1996, provided a vital link between the islands. The loss of employment opportunities on West Maui for Molokai residents because of this closure has detrimentally contributed to the unemployment rates on Molokai. Individuals flying between Maui and Molokai must now pay twice the amount of a ferry ticket to purchase an airline ticket. Reestablishing the boat service between Molokai and Maui is necessary to improve Molokai's quality of life and increase accessibility to and from the islands.

This bill proposes to appropriate out of the general revenues of the state a necessary sum for the fiscal year 1997-1998 to subsidize a private Molokai to Maui boat service, as a public-private partnership to reduce the cost of the boat service operation.

Testimony in favor of the measure was heard from the County of Molokai, County of Maui, Molokai Visitors Association, MCBOAT, Maui Princess, Molokai Business Association, Boats Hawaii, Inc., and Molokai High School. Testimony in opposition to the bill was heard from the Department of Business, Economic Development and Tourism.

Your Committee has amended the bill by deleting the sentences on page 1, line 12 to 15 and page 2, line 5 to 8 which directs the state to pay up to 75% of the total cost of a ticket. The bill is further amended by adding language to appropriate a sum of money for the 1998-1999 fiscal year as well as the 1997-1998 fiscal year.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1329, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 410 Transportation on H.B. No. 1136

The purpose of this bill, as referred to your Committee on Transportation, is to deter motorists from speeding while driving in school zones.

Your Committee finds that the safety of children, parents, and teachers walking in school zones requires diligent attention to speed limits. Your Committee further finds that drivers may intentionally or unintentionally disregard maximum speed limits established for school zones, thus endangering children, parents, and teachers.

This bill proposes to assess violators a fine of \$100 for every mile per hour being driven in excess of the speed limit established for school zones.

Testimony in support of this bill was heard from the Department of Education.

Your Committee has amended this bill by removing the amount of the fine, leaving the fine to be imposed at the discretion of the Committee on Judiciary.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1136, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 411 Transportation on H.B. No. 1677

The purpose of this bill, as referred to your Committee on Transportation, is to provide safety for workers in highway construction zones.

Your Committee finds that the safety of highway construction, maintenance, and repair workers is endangered by speeding motorists. Your Committee further finds that by posting and enforcing speed limits, that loss of lives and physical injuries will decrease.

The bill proposes to authorize construction zone speed limits, and to fine violators not less than \$750 nor more than \$1,000, without possibility of waiver, reduction, or suspension of the fine.

Testimonies in support of this measure were heard from the Department of Transportation, the City and County of Honolulu, Construction Industry Legislative Organization, Ltd., General Contractors Association of Hawaii, Grace Pacific Corporation, Hawaiian Bitumuls & Paving Company, Hawaii Dredging Construction Company, Jas. W. Glover, Ltd., Oahu Paving Company, Royal Contracting Company, Ltd., and St. Paul/Seaboard, Honolulu. King and Neel, Inc. testified in support of this bill, but recommended that it be extended to cover all industries.

Your Committee has amended this bill by deleting the amount of the fine, leaving the fine to be determined at the discretion of the Committee on Judiciary.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1677, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1677, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 412 Public Safety and Military Affairs on H.B. No. 1525

The purpose of this bill is to prohibit the Hawaii Correctional Industries Program (Program) from acting as a reseller of another company's products.

More specifically, this bill: :

- (1) Prohibits state and county agencies from purchasing, leasing, or acquiring goods of any kind from the Program unless the goods were produced or manufactured by the Program; and
- (2) Require goods sold to other agencies by the Program to be manufactured by the Program.

The State Auditor submitted testimony in support of this measure. The Department of Public Safety supported this measure with recommended changes.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1525 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 413 Public Safety and Military Affairs on H.B. No. 2123

The purpose of this bill is to appropriate funds to the Department of Public Safety's substance abuse and sex offender treatment programs.

The Mayor of the City and County of Honolulu and four concerned individuals submitted testimony in support of this measure. The Department of Public Safety submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2123 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 414 Public Safety and Military Affairs and Judiciary on H.B. No. 1830

The purpose of this bill is to ensure the adequate response of health care personnel during a disaster by providing all volunteer emergency medical disaster response personnel with immunity from liability and workers' compensation coverage.

The Department of Health submitted testimony in support of this bill.

Your Committees recognize the need for volunteers to perform necessary emergency medical services in times of disasters. Your Committees are also in concurrence with the amendments made by your Committee on Health.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1830, HD 1, and recommend that it be referred to the Committee on Finance.

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

SCRep. 415 Judiciary on H.B. No. 953

The purpose of this bill is to fund a court interpreter coordinator position to oversee the development of a training, testing, and certification program for the Judiciary.

The Judiciary, the Hawaii Supreme Court, the Committee on Equality and Access to the Courts, the Hawaii State Bar Association Citizen's Justice Conference, the Commission on Persons with Disabilities, the Hawaii State Coordinating Council on Deafness, the Bilingual Access Line, the Hawaii Interpreters and Translators Association, Language Services International, Inc., the Hawaii Registry of Interpreters for the Deaf, and a representative for Interpreters for the Deaf testified in support of this measure.

Your Committee has amended the bill by changing the appropriation amount to \$1 to facilitate 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 H.B. No. 953, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 953, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hiraki and Menor.

SCRep. 416 Judiciary on H.B. No. 1631

The purpose of this bill is to appropriate funds to compensate victims who have received awards from the Criminal Injuries Compensation Commission (Commission) to reimburse them for losses they suffered because of their victimization. This compensation includes out-of-pocket medical expenses, lost earnings, funeral and burial expenses, and for pain and suffering compensation.

The Commission and the Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting the amount appropriated and inserting the correct amount of \$868,583 as recommended by the Commission; 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 H.B. No. 1631, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1631, HD 1, and be referred to the Committee on Finance.

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

SCRep. 417 Judiciary on H.B. No. 119

The purpose of this bill is to provide for a 1998 Constitutional Convention. Specifically, this measure would:

- (1) Provide a mechanism for the election of delegates, convening of the convention, convention powers, salaries and allowances for delegates, and ratification election;
- (2) Appropriate funds for expenses of the constitutional convention; and
- (3) Appropriate funds for the Legislative Reference Bureau to provide services and assistance needed for the constitutional convention.

Citizens for a Constitutional Convention supported this measure. The Office of Hawaiian Affairs opposed this measure. The Legislative Reference Bureau, the League of Women Voters, Common Cause Hawaii, and two individuals submitted comments.

Your Committee finds that the people of Hawaii have made their wishes known by calling for a constitutional convention at the last election. Your Committee believes that the citizens of this state provide the ultimate constitutional authority. The State Constitution is an expression of their will, and not the will of any branch of government. As such, it is the inherent right of the people of Hawaii to propose revisions and amendments to the Hawaii State Constitution through a constitutional convention.

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

- (1) Requiring that the election of delegates to the constitutional convention be held March 14, 1998;
- (2) Providing for a \$25 nomination filing fee;
- (3) Requiring that the constitutional convention be convened on June 1, 1998;
- (4) Specifying that the constitutional convention be responsible for voter education with respect to voter materials including:
 - (A) Each proposed revision or amendment to be submitted to the electorate; and
 - (B) The publication and dissemination of voting materials in conformance with the Voting Rights Language Assistance Act of 1992, P.L. 102-334;
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and conformance with drafting conventions.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 119, HD 1, and be referred to the Committee on Finance.

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

SCRep. 418 Consumer Protection and Commerce on H.B. No. 1869

The purpose of this bill is to allow the hiring of no-fault personnel, including a cost compliance specialist, cost compliance assistants, and no-fault insurance investigator.

Testimony in support of the bill was received from the Department of Commerce and Consumer Affairs, Insurance Division, and the Hawaii Independent Insurance Agents Association.

The no-fault peer review process deals exclusively with contested claims which requires experience in this highly specialized area. Recruitment and retention of specialists in these areas are necessary to handle and reduce a backlog of cases. Specialists in these positions may soon be terminated unless an amendment is made to clarify the use of the No-Fault Administration Fund.

Your Committee agrees that the Insurance Division has been faced with a continuing backlog of no-fault challenges within the peer review process. To lose experienced staff would create an even greater obstacle to the timely and expeditious processing of cases.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1869, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1869, HD 1, and be referred to the Committee on Finance.

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

SCRep. 419 Consumer Protection and Commerce and Judiciary on H.B. No. 1852

The purpose of this bill is to eliminate public hearings for most insurance rate filings, except for workers' compensation rate filings, and to allow consumers to obtain negotiated coverages.

Testimony in support of the bill was received from State Farm Mutual Automobile Insurance Company and the Department of Commerce and Consumer Affairs.

Presently, public hearings must be held for most rate filings with the Insurance Commissioner. This has been an expensive financial burden for the state, as well as a lengthy process that has had no, or very minimal impact on the rate approval process, particularly in light of poor public participation.

After careful deliberation, your Committees are in agreement that mandatory public hearings are not necessary nor economically efficient except for certain rate filings, such as workers' compensation, specific inland marine rates, and special filings subject to individual risk premiums modifications which are agreed to by an insurer by formal or informal bid.

Your Committees have amended the bill by making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1852, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1852, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, Saiki, Tom, Yoshinaga, Kawanakoa and Thielen.

SCRep. 420 Health on H.B. No. 634

The purpose of this bill is to:

- (1) Allow health care providers to notify a law enforcement officer if a person being treated for care following a motor vehicle accident has a blood test with an alcohol content that meets or exceeds the legal limit; and
- (2) Immunize health care providers providing notice concerning the alcohol content of a person's blood from civil liability.

The Department of the Prosecuting Attorney of the City and County of Honolulu, the Hawaii Medical Association, the Department of the Attorney General, the Honolulu Police Department, Mothers Against Drunk Driving, and three concerned individuals submitted testimony in support of this measure. Your Committee received oral testimony in opposition to this measure from the Hawaii Nurses Association.

Your Committee has amended this measure by:

- (1) Requiring a health care provider to notify a law enforcement officer if a person being treated for care following a motor vehicle accident has a blood test with an alcohol content that meets or exceeds the legal limit; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 634, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 634, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 421 Health on H.B. No. 629

The purpose of this bill is to appropriate \$2,700,000 for the fiscal year 1997-1998 and the sum of \$3,067,200 for the fiscal year 1998-1999, to expand and improve emergency ambulance and related emergency medical services functions of the state comprehensive emergency medical services system.

Your Committee received testimony in support of this measure from the Department of Health, Hana Community Health Center, Kaiser-Permanente Medical Care Program, Hawaii County Fire Department, International Life Support, Maui County Paramedics Association, a member of the Emergency Medical Services (EMS), and three concerned individuals.

Your Committee finds from testimony submitted that the Hana District is in urgent need of emergency ambulance and related medical services because it is a remote rural and isolated community. It takes two hours to reach the nearest medical treatment center over narrow, winding roads. Your Committee believes that the appropriated funds in this measure should be used immediately to bring emergency medical relief to the Hana area.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 629 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 422 Health on H.B. No. 1818

The purpose of this bill is to make the following amendments to Chapter 328, Hawaii Revised Statutes:

- (1) Add definitions for "drug sample," "good manufacturing practices for drugs," "prescription," and "prescription drug";
- (2) Add the United States Pharmacopoeia (USP) Dispensing Information to the definition of "official compendium;"
- (3) Broaden the definition of "practitioner" to allow pharmacists to fill prescriptions written by individuals, like military physicians, who are authorized to prescribe drugs but are not necessarily licensed by the State;
- (4) Prohibit the sale of expired drug products;
- (5) Require the Department of Health to distribute the Hawaii generic drug formulary only to pharmacies; and
- (6) Make other technical amendments for clarity.

The Board of Medical Examiners, the Hawaii Pharmaceutical Association and Longs Drug Stores submitted testimony in support of this bill. The Department of Health submitted testimony in support of this bill with proposed amendments.

Your Committee finds that there is a need to clarify Chapter 328, Hawaii Revised Statutes, to benefit both consumers and the practice of pharmacy.

Your Committee has amended this bill by:

- (1) Replacing "pharmacist" with "pharmacy" in Section 328-16(d), Hawaii Revised Statutes, and replacing the phrase "pharmacists practicing in this" with "pharmacies in the" in Section 328-96(d), Hawaii Revised Statutes as suggested by the Department of Health for clarity; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1818, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1818, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 423 Education on H.B. No. 1000

The purpose of this bill is to provide a \$50,000 appropriation in 1997-98 to the Hawaii High School Athletic Association (HHSAA).

Testimony in support of this bill was received from the Department of Education, the HHSAA, and the Hawaii State Teachers Association.

No testimony in opposition to this bill was received.

Your Committee believes that the intent of this bill is to promote and foster wholesome and equitable interscholastic athletics programs.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1000 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, Takamine, Yonamine, Halford and McDermott.

SCRep. 424 Education on H.B. No. 1017

The purpose of this bill is to provide public schools with the necessary technology infrastructure by requiring:

- (1) At least \$5,000,000 to be appropriated and expended from the State Educational Facilities Improvement Special Fund (Fund) each fiscal year until all public schools are provided with the necessary technology infrastructure; and
- (2) Interest income in the Fund to be used solely to purchase technology infrastructure.

Your Committee received supporting testimony from the Department of Education (DOE). The Department of Budget and Finance submitted comments on the bill. In its testimony, DOE indicated that it is nearing its goal to have all public schools connected to the Wide Area Network. To date, DOE has fewer than ten remaining schools to connect to this network.

Your Committee notes that computer services are operating budget items rather than capital improvements.

The bill has been amended by:

- (1) Deleting computer services from inclusion in the definition of "technology infrastructure"; and
- (2) Making technical, nonsubstantive revisions for purposes of style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1017, HD 1, and be referred to the Committee on Finance.

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

SCRep. 425 Education on H.B. No. 1116

The purpose of this bill is to appropriate funds for the Data Warehouse and Educational Process Systems for the Department of Education.

The Department of Education submitted testimony in support of this bill.

Your Committee finds that the information provided by the Data Warehouse and Educational Process Systems will assist the Legislature in making decisions about the public school system.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1116 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, Takamine, Yonamine, Halford and McDermott.

SCRep. 426 Education on H.B. No. 2032

The purpose of this bill is to establish the School-to-Work Opportunities System on a demonstration basis.

The Department of Labor and Industrial Relations, the University of Hawaii, the Hawaii School-to-Work Opportunities Executive Council, and the Estate of James Campbell submitted testimony in support of the bill. The Department of Education and the Department of Business, Economic Development and Tourism testified in support of the intent of the bill.

Your Committee finds that the establishment of the School-to-Work Opportunities System in Hawaii is part of a national effort to:

- (1) Restructure and reform education by developing new school curricula and workplace learning experiences to stimulate student learning;
- (2) Provide a sound foundation for continued education and training; and
- (3) Prepare a workforce that can meet the changing expectations of Hawaii's economy.

The State will receive \$10.2 million in federal funds over a five-year period for the School-to-Work Opportunities System.

After your Committee took action on the bill, a flaw was identified in the bill. The School-to-Work Opportunities System should not be established as a statutory provision since the language creating the system sunsets in five years.

In addition, consideration should be given to precisely determining the composition of the School-to-Work Opportunities Executive Council since it has fiscal authority. As currently written, the bill calls for the council to consist "of up to but not more than twenty-one members."

Your Committee suggests that the Committee on Finance consider amending the bill to address these concerns and any other problems that the bill may have.

The bill has been amended by making technical, nonsubstantive revisions 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 H.B. No. 2032, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2032, HD 1, and be referred to the Committee on Finance.

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

SCRep. 427 Ocean Recreation and Marine Resources on H.B. No. 1738

The purpose of this bill is to authorize the Department of Land and Natural Resources to license commercial marine dealers; to provide the Department flexibility to exempt certain commercial marine dealers from having to report monthly; to increase the time commercial marine dealers are required to keep receipts; and to authorize the Department to establish rules for these purposes.

Your Committee finds that the Department of Land and Natural Resources has had difficulty in identifying commercial marine dealers because they are not licensed, and that a license such as created by this measure would identify these dealers to facilitate monitoring of aquatic life through the markets. The dealer reports could then also be used to verify the reported sales of the commercial fishes. Your Committee also finds that increasing the time to twenty four months from six months for retention of receipts would provide for more effective monitoring. In addition, requiring that these receipts are kept on the premises where the marine life are sold also facilitates effective monitoring.

Testimony in support of the measure was received from Department of Land and Natural Resources and a private individual. The Chairman of the Western Pacific Fishery Management Council also submitted supportive testimony with the admonition that the Department of Land and Natural Resources should not diminish efforts to fully enforce existing statutes that require any person who takes marine life for commercial purposes to obtain a commercial marine license and submit complete and accurate monthly catch reports.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1738 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Morihara.

SCRep. 428 Ocean Recreation and Marine Resources on H.B. No. 1736

The purpose of this bill is to establish administrative or civil penalties in chapter 187A, Hawaii Revised Statutes.

Your Committee finds that there is a critical need to improve the enforcement of marine conservation laws and regulations. One effective means to achieve improvement is by providing the conservation enforcement officers with the ability to pursue prosecution of violators as either a criminal case or a civil case.

Testimony in support of the measure was received from the Department of Land and Natural Resources, the Sierra Club, the Chairman of the Western Pacific Fishery Management Council and a private individual.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1736 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Morihara.

SCRep. 429 Ocean Recreation and Marine Resources on H.B. No. 1963

The purpose of this bill, as received by your Committee on Ocean Recreation and Marine Resources, authorizes the Department of Land and Natural Resources to establish a limited entry fisheries management program, to adopt rules relating to licenses and permits for aquatic resources and open and closed fishing areas and fisheries. It also requires consultation with a scientific advisory panel before adoption of rules.

Your Committee finds that fishing is an important activity of cultural, recreational and economic value to the people of Hawaii. However, with increasing population and fishing pressure, there is evidence of depletion of fish stocks. To address this depletion of fish stocks, your Committee recognizes the need to provide to the Department of Land and Natural Resources the ability to set a cap on the number of permits allowed for a certain fishery, based upon sound scientific information and analysis of fishing stock statistics and catch data.

Testimony was received as follows:

1. Department of Land and Natural Resources testified in support of the intent of the measure, but without significant changes they would not be able to support the passage of the measure as it would result in reducing the Administration's current priorities in the Executive Budget. Department of Land and Natural Resources offered many recommendations for significant amendments to address their concerns.
2. The Chairman of the Western Pacific Fishery Management Council testified in support of the measure with one concern relating to the lack of a mechanism for coordination with Federal fisheries management authority.
3. Hawaii Conservation Association and several individuals testified in support of the intent of the measure, but with numerous concerns relating to the establishment of the county fishery management councils and the need to utilize traditional Hawaiian names and fishery management techniques.

4. Dive Makai Charters testified in support of the intent of the measure while opposing the appointed county fishery management councils in favor of a community-based management advisory group. The testimony also emphasized the need to broaden the definition of "scientific knowledge" to include experiential knowledge, and to state that the absence of adequate scientific information shall not be used as reason for postponing or failing to take conservation and management measures.
5. Additional testimony was received from numerous other individuals including professional fishery managers, in support of the intent of the measure with concerns about costs, bureaucratic overburdening, and doubts of how a county based management council system would be able to manage what is more accurately a state-wide resource.

Upon careful consideration, your Committee has decided to make the following amendments:

1. Clarify that it is nearshore fisheries, including recreational and commercial, that is the focus of this measure;
2. Include in the state standards two additional items:
 - a. a statement that the absence of adequate scientific information shall not be used as reason for postponing or failing to take conservation and management measures.
 - b. requiring that native Hawaiian fishing and collecting rights shall be identified and protected;
3. Direct the Department of Land and Natural Resources consult with local community based fishery management advisory groups in developing local fishery management plans rather than have formal county fishery management councils develop these plans. Clarify that these community based fishery management advisory groups shall represent local fishermen, ocean industries, and ahupua'a and coastal communities of the region;
4. Delete the county fishery management council structure as well as any mention of scientific and statistical committees formed by the council;
5. Clarify that it is Department of Land and Natural Resources that is preparing the nearshore fishery management plans and proposed rules in consultation with these advisory groups;
6. Delete any mention of foreign fishing;
7. Delete requirement of fishery observers;
8. Increase the membership of the scientific advisory panel from three to five and identify that it shall include a representative of the Western Pacific Regional Fishery Management Council and University of Hawaii;
9. Delete the ability of the scientific advisory panel to conduct scientific research, rather it would recommend needed research; and
10. Amend the section defining the scope of the rules to state the purposes of subtitle 5 of title 12, making it broader in scope.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1963, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1963, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morihara.

SCRep. 430 Ocean Recreation and Marine Resources on H.B. No. 1547

The purpose of this bill, as received by your Committee on Ocean Recreation and Marine Resources, creates a three year pilot program within the Department of Land and Natural Resources for administrative purposes to convert one small boat harbor into an independent, privately managed marina in accordance with an operation agreement to be entered into with the department.

Your Committee finds that the small boat harbors in the state are, for the most part, poorly managed. Many boaters are dissatisfied with the boating program and are frustrated with the lack of response to community-based efforts to improve small boat harbor management. Your Committee also recognizes that Hawaii has the potential to be a world class boating and ocean recreation state, and by working with the community of harbor users, the state can most effectively achieve this vision.

Testimony in opposition to the bill in its original form was received from the Department of Land and Natural Resources who did offer suggested amendments addressing their concerns. Additional testimony in opposition to this proposal was also received from Hawaii Government Employees Association, M.C.B.O.A.T., Westrec Marina Management, Inc., and a concerned individual.

Testimony in support was received from many individuals and companies from throughout the state including a petition with over one hundred names. These testimonies stated that community based management of a small boat harbor can work effectively, and is a positive step toward improving the existing harbor conditions. Many noted their desire to have a community based nonprofit organization manage these state small boat harbors rather than a private for-profit company from the mainland.

Your Committee made many amendments, including most of the recommendations of the Department of Land and Natural Resources as follows:

- 1) change the pilot program duration to five years from three years;
- 2) affirm that the pilot program is to select one or more small boat harbors that are representative of the small boat harbors in the state;
- 3) require the consultation with the Task Force in the evaluation of proposals for the pilot program;
- 4) direct the department to enter into a lease agreement rather than an operating agreement with the marina board as the community based management authority;
- 5) identify that it is the legislative auditor who is to determine the amount of state debt attributable to the facility;
- 6) stipulate that the individual members of the marina board shall not be held personally liable for debts or damages incurred by decisions of the marina board;
- 7) require the marina board, in their role as the community based management authority, to purchase liability insurance for the facility and indemnify the state;
- 8) require that 20% of gross revenues generated on ceded lands at the small boat harbors are paid to the Office of Hawaiian Affairs;
- 9) require that an unspecified percentage of revenue based on a formula to be determined by the Department of Land and Natural Resources and the task force to be paid to the Department of Land and Natural Resources to support state boating facilities that do not support themselves.
- 10) require the Department of Land and Natural Resources to negotiate an agreement with the marina board as the community based management authority regarding enforcement of state boating laws; and
- 11) direct the Department of Land and Natural Resources to reassign the public employees that were employed in the harbors selected for this pilot program.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1547, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1547, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

SCRep. 431 Ocean Recreation and Marine Resources on H.B. No. 2177

The purpose of this bill, as received by your Committee on Ocean Recreation and Marine Resources, is to appropriate existing funds in the University of Hawaii budget to fund the position of West Hawaii sea grant extension agent.

Your Committee finds that the University of Hawaii Sea Grant Extension Service has been conducting public outreach, educational and technology transfer activities throughout the State of Hawaii and the U.S. affiliated Pacific Islands for nearly three decades. Because of their on-site location, the program has been able to assist with business start-ups in aquaculture, ocean recreation and ecotourism. Sea Grant Extension has been instrumental in establishing public educational programs. In addition, they have worked with county and state agencies on a variety of critical marine issues including water quality management, fisheries management, oil spill contingency planning and shoreline erosion management.

Your Committee also finds that to improve compliance with marine conservation laws and regulations, it is imperative to involve the public and the regulated community in the creation of management plans and rules. This collaborative process requires the facilitation skills and content expertise as provided by the Sea Grant Extension Service. Their history of contributions in this area indicate that they would contribute effectively to the initiative from the Department of Land and Natural Resources to improve management of our state's aquatic resources. This could best be achieved by having extension agents on all the neighbor islands to work with the marine and coastal communities there.

Your Committee understands that for every dollar in state funds given to UH Sea Grant, another ten dollars in support is contributed from other sources. Therefore, your Committee finds that it would be very cost effective for the state to provide partial funding to support several Sea Grant Extension Agents on the islands of Kauai, Molokai and the Big Island communities of Hilo and Kona.

Testimony from the University of Hawaii was received that opposed the bill in its current form, but offered a suggestion which, if adopted, would enable them to support the bill.

Testimony in support of the measure was received from the Provost of Maui Community College, Director of Education of the Hawaii Wildlife Fund, Director of the West Hawaii Explorations Academy, a director of the Hawaii Aquaculture Association and several concerned individuals and companies.

Upon careful consideration, your Committee decided to amend the measure by adopting the suggestions made by the University of Hawaii to provide \$200,000 from the general fund for the biennium 1997-1999, to be used exclusively for

partial support for Sea Grant Extension Agents on the islands of Kauai, Molokai and in the Big island communities of Kona and Hilo.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2177, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2177, HD 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Meyer.

SCRep. 432 Human Services and Housing on H.B. No. 659

The purpose of this bill is to convert the status of the Hale Kokua program from temporary to permanent.

Both written and oral testimony submitted by the Hawaii Housing Authority (HHA) made it clear that the Hale Kokua pilot program expires in June, 1997, and that the Authority does not consider the program to have been a success for several reasons. Among the reasons cited by the HHA were a.) not enough money was allocated to the program to hire sufficient staff, to do any substantial renovations, or to provide for rent subsidies; b.) that the program venues of Kauai and Hawaii were not appropriate for testing the program; and c.) The program was believed to be too complex for the targeted population.

Although the Committee was in agreement that there had been some problems with the initial phases of the program, it nevertheless found that the program had earned, and was worthy of, being converted to a permanent status program.

Your Committee amended the bill by:

- (1) Broadening the language regarding who is eligible for subsidies, grant funds, etc.;
- (2) Including agencies and/or organizations to those who may be the beneficiaries of incentives and assistance for setting aside existing dwelling units, constructing new, or improving existing dwelling units;
- (3) Deleting paragraph (12) on page 8 of the bill regarding public notice and public hearing requirements;
- (4) Including a representative of the Housing Finance and Development Corporation to those who shall be appointed to the homeless assistance coordinating committee;
- (5) Changing the payment of up to \$7,500 to read up to \$75,000 as a state grant to offset the cost of renovating, improving, building any adjoining addition, or constructing any separate structure upon the premises of the owner's property in preparation for its use as a unit under this program;
- (6) Indicating that the cost offset grant funds mentioned immediately above shall be required to be matched financially or in kind; and
- (7) Including a paragraph creating a Community Assistance for the Homeless Trust Fund to receive funds secured through §-3(10) of the bill.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 659, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 659, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 433 Human Services and Housing on H.B. No. 660

The purpose of this bill is to appropriate funds to the Hawaii Housing Authority for security guard services at the state-owned Kalanihuia Senior Citizens' Home.

The Hawaii Housing Authority submitted testimony in support of this measure.

Your Committee wishes to emphasize the need for security guard services at this location as well as other housing units under the Hawaii Housing Authority's responsibility.

Your Committee has amended this measure by:

- (1) Stating that the source of the funding for temporary security guard services at Kalanihuia was from existing general fund appropriations and not from an emergency repair fund; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 660, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 660, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 434 Tourism and Higher Education on H.B. No. 1571

The purpose of this bill is to establish a permanent international exchange program between the school of medicine of the University of Hawaii and foreign medical schools to promote Hawaii's health industry and to encourage the development of health-related tourism in the Asia-Pacific region.

Your Committees received testimony in strong support of this bill from the Department of Business, Economic Development and Tourism, and the University of Hawaii John A. Burns School of Medicine.

Your Committees find that expansion into the health-related tourism segment of the visitor industry offers one of the best hopes for reviving Hawaii's economy, utilizing Hawaii's well-developed tourism reputation and its existing excellent healthcare facilities. In addition, many of Hawaii's medical service providers already have contractual arrangements with a number of Asia-Pacific nations which provide a base for the further development of health tourism.

Although the University of Hawaii's school of medicine already accepts some graduates of foreign medical schools into its residency program, the creation of long-term relationships through exchange programs between Hawaii and the Asian medical community, including those which are part of the sister-state-province partnership, will be an important factor in the success of health tourism promotion efforts. This program will broaden and solidify the network of physician referrals of patients in Asia to Hawaii medical institutions.

Your Committees revised the bill by:

1. Adding a provision creating a revolving fund for the program, requiring that state funds be matched equally with contributions from the health industry;
2. Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Tourism and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1571, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1571, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Santiago, Stegmaier, Tarnas, Yonamine and Moses.

SCRep. 435 Tourism and Higher Education on H.B. No. 254

The purpose of this bill is to establish within the University of Hawaii School of Travel Industry Management a five-year international tourism education, training and research pilot project, establish a revolving fund for the project.

Your Committees received testimony in strong support of this bill from the Department of Business, Economic Development, and Tourism, and the University of Hawaii School of Travel Industry Management.

Your Committees find 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.

By using revenues generated by the program and none from the general fund, for this year, the revolving fund will not aggravate the state's financial condition.

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 education and training. Other World Tourism Organization centers such as Cornell University have already promoted their programs successfully in the Pacific/Asia region and other parts of the world.

As affirmed by the records of votes of the members of your Committees on Tourism and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 254 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ahu Isa, Jones, Santiago, Stegmaier, Yonamine and McDermott.

SCRep. 436 Health on H.B. No. 803

The purpose of this bill is to expand the definition of "practitioner" under the food, drug, and cosmetics law to also mean individuals otherwise authorized by law.

Your Committee finds that under current law, only individuals licensed by the State are considered "practitioners".

Your Committee finds from all of the testimony presented that current law should be changed to expand the definition of "practitioner".

Your Committee has adopted the recommendation of the Department of Health and amended this bill by incorporating the definition of "practitioner" contained in H.B. No. 1808 as follows:

"Practitioner" means an individual licensed by the State or authorized by the laws of the State to prescribe prescription drugs within the scope of the person's practice.

Your Committee finds that this broadened definition clarifies that the individual must be licensed or authorized under Hawaii law to prescribe prescription drugs.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 803, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 803, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 437 Health on H.B. No. 808

The purpose of this bill is to change the title used by physician assistants to indicate licensure as opposed to certification.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs, the Hawaii State Primary Care Association, and the Bay Clinic Community Health Center: Hilo, Pahoa, and Na'alehu.

Your Committee finds from the testimony presented that physician assistants are currently certified by the programs they graduate from and certified when they pass their national board exams. Amending the current law to provide that physician assistants shall be "licensed" rather than "certified" will reduce the confusion surrounding the word "certification" when it is applied to physician assistants, and will in no way diminish the rigorous standards under which they are trained and credentialed.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 808 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 438 Health on H.B. No. 1099

The purpose of this bill is to:

- (1) Establish licensing procedures and regulatory oversight for occupational therapists; and
- (2) Repeal Chapter 457G, Hawaii Revised Statutes, governing occupational therapy practice.

Testimony in support of this bill was received from the American Occupational Therapy Association, the American Physical Therapy Association Hawaii Chapter, the American Association of Retired Persons, the Commission on Persons with Disabilities, the Hawaii Government Employees Association, the Kapiolani Medical Center for Women and Children, the Occupational Therapy Association of Hawaii, the Rehabilitation Hospital of the Pacific, numerous occupational therapists, occupational therapy assistants, physical therapists, physicians, and interested individuals.

Testimony was also received from the Department of Commerce and Consumer Affairs (DCCA) and the Hawaii Nurses' Association.

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

- (1) Deleting references to the Occupational Therapy Association of Hawaii and the Board of Occupational Therapy Practice;
- (2) Establishing an occupational Therapist Licensing program administered by the director of the DCCA;
- (3) Deleting the references to provisions for the licensure of occupational therapy assistants;
- (4) Defining the term "supervision" within the contexts of "general supervision" and "direct supervision;"
- (5) Deleting the provision for limited permits;
- (6) Specifying that licenses be renewed biennially on or before June 30, with the first renewal deadline occurring on June 30, 1999;
- (7) Changing the penalty for violating this Act from a misdemeanor to a fine of not more than \$1,000;
- (8) Providing for the use of occupational therapy support personnel by a licensed occupational therapist;
- (9) Including an appropriation section with an unspecified amount to the DCCA for fiscal year 1998-1999 to implement the provisions of this Act;

- (10) Specifying that the occupational therapist licensing program take effect on July 1, 1999; and
- (11) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee acknowledges that a concurrent resolution is being drafted to address the sunrise provision.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1099, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1099, HD 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 439 Human Services and Housing on H.B. No. 2008

The purpose of this bill is to direct the Hawaii Housing Authority (HHA) to enter into negotiations with the Waimanalo Housing Resident Association (WHRA) for the possible long-term lease, or other available arrangement, of the property beneath Waimanalo Homes to the association, on the condition that the association assist all homes on the property with either renovation or reconstruction.

Both written and oral testimony submitted by the Hawaii Housing Authority (HHA), and many individual, private citizens living in the Waimanalo Homes project, revealed that there is much need for interaction between the HHA and the WHRA on what options are available to the WHRA in their pursuit of a stable, more permanent housing arrangement at the homesite. The WHRA testified that they had long been misled regarding the right to purchase the subject property. It was HHA's contention that there was no such written provision for purchase rights in the individual resident's rental agreements and both parties now agree, that because the land is ceded land, purchase is not an available option for the Association.

The Committee, after considering all the offered testimony, is of the opinion that it would be in all the parties' best interests to communicate with each other for a better understanding of the concerns, desires and goals being pursued.

After careful consideration of the issues involved, your Committee has amended this measure by directing that the Hawaii Housing Authority cooperate and assist the Waimanalo Homes Resident Association in exploring possible options available to the parties for the long-term lease, or other arrangement, whereby the residents of Waimanalo Homes can realize a more permanent housing arrangement in and on said property.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2008, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2008, HD 1, and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 440 Water and Land Use on H.B. No. 1750

The purpose of this bill is to clarify that an assignee to an agricultural lease must first qualify as a bona fide farmer before being assigned the lease.

Your Committee notes that because of the ambiguity of the current law, nonfarmers are able to obtain agricultural leases. This bill will correct the ambiguity and allow the Department of Land and Natural Resources (DLNR) to apply the same standards of eligibility to all subsequent lessees of agriculture leases, to ensure that they are actually used for agricultural pursuits.

Your Committee received testimony in support of this bill from the DLNR, the Department of Agriculture, and the Hawaii Farm Bureau.

Upon careful consideration your Committee has amended the bill by making technical, non-substantive revisions for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1750, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1750, HD 1.

Signed by all members of the Committee except Representatives Goodenow, Kanoho, Morihara and Yoshinaga.

SCRep. 441 Water and Land Use on H.B. No. 6

The purpose of this bill is to change the boundaries of the Kakaako community development district by excluding Piers 1 and 2 at Fort Armstrong.

Your Committee finds that Piers 1 and 2 at Fort Armstrong include vital and unique maritime cargo facilities that cannot be relocated and would be too expensive to duplicate. Pier 1 and 2, as well as access roads and backup land to these piers, must be protected and preserved:

1. To ensure safe and navigable turning basins, channels, and approaches to berths;
2. To allow for upgrading of existing cargo handling facilities;
3. To expand and improve these facilities consistent with the predicted growth of future cargo requirements; and
4. And for the safe and effective berthing of major cargo vessels.

Testimonies in support was heard by The Chamber of Commerce of Hawaii, ILWU Local 142, Hawaii Stevedores, Inc., Sea-Land Services, Inc., Seafares International Union, Sause Bros., Waldrone Steamship Co., Ltd., and a harbor pilot. Testimony in opposition was submitted by the Department of Transportation and the Hawaii Community Development Authority.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 6 and recommends that it be referred to the Committee on Finance.

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

SCRep. 442 Water and Land Use on H.B. No. 739

The purpose of this bill is to establish a joint monitoring program in the Department of Land and Natural Resources, that utilizes volunteers in research and survey efforts.

The Department of Land and Natural Resources, Pacific-Asian Inc., and The Nature Conservancy of Hawai'i testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 739 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 443 Water and Land Use on H.B. No. 1752

The purpose of this bill is to require rents determined during rental reopenings under Chapter 171, Hawaii Revised Statutes (HRS), to be at fair market value at the time of the reopening.

The Department of Land and Natural Resources and Hawaii Farm Bureau testified in support of this bill. The Committee also received testimony from Ka Lahui Hawaii.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1752 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 444 Water and Land Use on H.B. No. 2238

The purpose of this bill is to establish a special fund to be administered by the Department of Land and Natural Resources (DLNR) as part of an "adopt a park" program to acquire state lands through the condemnation of private lands. Citizens may make contributions to the fund that are earmarked for a specific proposed state park or for the expansion of an existing state park. By providing contributors with assurance that contributions will be utilized exclusively for specific park acquisition or expansion purposes, citizens will be more encouraged to participate.

Testimonies in support were submitted by the DLNR, the Department of Budget and Finance, and the Sierra Club - Hawaii Chapter.

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

- (1) Changing the name of the program "acquire a park" instead of "adopt a park" to avoid confusion with the existing program by that name;
- (2) Changing the special fund into a trust fund since voluntary private contributions, and not fees, are involved;
- (3) Providing that any interest earned or accrued on moneys in the fund shall become part of the fund; and
- (4) Making technical, non-substantive revisions for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2238, HD 1, and be referred to the Committee on Finance.

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

SCRep. 445 Water and Land Use on H.B. No. 1739

The purpose of this bill is to improve efforts to preserve and interpret Hawaii's unique and valuable cultural and natural resources found within the State Parks System by:

- (1) Expanding the uses of the Aina Hoomalu Special Fund (Fund) to include resource sustaining activities such as monitoring and determination of the carrying capacity of park resources; and
- (2) Requiring that proceeds collected by the State Parks Program involving the sale of goods be deposited into the Fund and used to replenish these goods.

According to the Department of Land and Natural Resources (DLNR), this bill will:

- (1) Allow for the funding of various program needs such as the reprinting of brochures; and
- (2) Ensure the better management of park resources impacted by park users and introduced species.

Your Committee has amended this bill by:

- (1) Requiring DLNR to submit an annual report on the status of the Fund; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1739, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1739, HD 1, and be referred to the Committee on Finance.

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

SCRep. 446 Water and Land Use on H.B. No. 1741

The purpose of this bill is to authorize the Commission on Water Resource Management (COWRM) to establish a fee schedule in order to defray the costs of all programs required by the State Water Code, chapter 174C, Hawaii Revised Statutes (HRS).

The State Constitution and the State Water Code require COWRM to set overall water conservation, quality, and use policies; to protect water resources, watersheds, and natural stream environments; to assure water rights, including Native Hawaiian water rights; to establish criteria for water use priorities; and to provide a comprehensive plan for water resources in order to address the problems of supply and the conservation of water.

Although HRS section 174C-61 currently allows COWRM to establish fees to defray the administrative costs of the permitting process, this bill will allow COWRM to establish fees similar to those levied by the county boards of water supply, such as fees for new pump installation or stream diversion works applications.

A consistent source of funding will allow COWRM to implement the monitoring, management, and resource protection programs and activities, and to defray the administrative costs necessary to sustain the State's resources. Further, it would allow the development and regular updating of the Hawaii Water Plan using state-of-the-art methods such as integrated resource planning.

Testimony in support of this bill was received from the COWRM and the Board of Water Supply, City and County of Honolulu. No testimony in opposition to the bill was received.

Upon further consideration, your Committee has amended the bill to provide that COWRM prepare and submit an annual report to the legislature regarding the income generated from the fee schedule and the expenditures made by COWRM. This will allow the legislature to maintain the proper oversight of the fees collected and the program expenditures by COWRM.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1741, HD 1, and be referred to the Committee on Finance.

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

SCRep. 447 Water and Land Use on H.B. No. 1749

The purpose of this bill is to limit the authority of the Department of Land and Natural Resources (DLNR) to review proposed state and county projects to those projects that are supported in whole or in part through appropriations, contracts, grants, subsidies, loans, or other forms of funding assistance from the State or its political subdivisions.

This bill also:

- (1) Provides that an appeal of DLNR's concurrence or nonconcurrence to the Hawaii Historic Places Review Board (Board) is to occur no later than thirty days from DLNR's concurrence or nonconcurrence;

- (2) Provides that an appeal of the Board's decision to the Governor is to occur no later than thirty days from the Board's written decision; and
- (3) Clarifies that the adoption of administrative rules is not necessary to effectuate the appeals process.

The DLNR and the County of Hawaii Planning Department submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1749 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara.

SCRep. 448 Water and Land Use on H.B. No. 1751

The purpose of this bill is to authorize the deposit of fees, penalties, and fines collected by the Department of Land and Natural Resources (DLNR) under sections 171-6, 171-19, 179D-8, 183C-3, and 205A-42, Hawaii Revised Statutes, into the Special Land and Development Fund (Fund).

Your Committee believes that the intent of this bill is to allow the DLNR to direct proceeds from its maintenance and enforcement activities to fulfill DLNR's mission of sustaining Hawaii's natural resources for future generations.

Testimony in support of this bill was received from the DLNR.

No testimony in opposition to this bill was received.

Upon further consideration, your Committee has amended this bill by requiring the DLNR to prepare and submit an annual report to the Legislature as to the income generated from the Fund and the type and amount of expenditures made.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1751, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Kanohe and Yoshinaga.

SCRep. 449 Water and Land Use on H.B. No. 451

The purpose of this bill is to amend the the State Land Use Law by:

- (1) Authorizing the Land Use Commission (LUC) to impose conditions in reclassifying lands, including parcels fifteen acres or less, that shall be binding on the landowner and county; and
- (2) Increasing the penalties for violation and strengthening the ability of the State and counties to enforce the State Land Use Law.

The following submitted testimony on this bill: the LUC; the Department of Business, Economic Development, and Tourism; the Planning Department and the Board of Water Supply of the City and County of Honolulu; the Planning Department of the County of Hawaii; Hawaiian Electric Company, Inc.; Land Use Research Foundation of Hawaii; the Democratic Party of Hawaii; and the Sierra Club, Hawaii Chapter.

Many were opposed to authorizing the LUC to impose conditions on district boundary amendments for parcels less than fifteen acres outside of the conservation district. Some testified that this would represent a duplication of effort; others believed that the State should not get involved in a process that, up to now, has been within the sole prerogative of the counties.

Additional concern focused on provisions that would allow the LUC to impose conditions on boundary amendments which would be binding on the counties for the reclassification of lands in the conservation district and for lands in all other districts greater than fifteen acres. Current law already permits the LUC to impose conditions on petitions. These conditions must be filed with the Bureau of Conveyances and run with the land.

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

- (1) Authorizing the counties, instead of the LUC, to impose conditions which shall be binding on the landowner when reclassifying parcels less than fifteen acres in size;
- (2) Authorizing the LUC to impose conditions which shall be binding on the petitioner, instead of the counties, when reclassifying lands larger than fifteen acres; 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 Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 451, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Goodenow, Kanoho, Morihara and Yoshinaga.

SCRep. 450 Water and Land Use on H.B. No. 296

The purpose of this bill is to:

- (1) Amend section 134-5, Hawaii Revised Statutes (HRS), to provide that persons may lawfully possess rifles or shotguns while actually engaged in hunting or target shooting, where the hunting or target shooting activity is legally permitted or privately authorized;
- (2) Broaden the offense of criminal trespass in the second degree contained in section 708-814, HRS, to include premises that are fenced or enclosed to confine livestock; and
- (3) Increase penalties for second degree criminal trespass where the same property is involved.

Testimony in support of this bill was received from the Honolulu Police Department, Hawaii Citizens' Rights Committee, and concerned citizens.

Testimony in opposition to this bill was received from the Board of Land and Natural Resources, Hawaii Rifle Association, and concerned citizens.

Your Committee believes that the intent of this bill was to protect those who are legitimately engaged in hunting or target shooting activities.

Your Committee finds that there are instances where a person unlawfully enters the premises, is requested or warned by the landowner or police to leave the premises, leaves the premises, and subsequently returns. Under current law, no offense for second degree criminal trespass has been committed under section 708-814(b), HRS, unless a second warning is given for the subsequent return.

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

- (1) Limiting the protection of section 134-5, HRS, to hunting or target shooting activity, which occurs in recognized hunting areas or private property where the person has received the landowner's consent;
- (2) Providing that any person who enters, re-enters, or remains unlawfully on commercial premises within 72 hours of the landowner's, lessee's, or police officer's reasonable warning or request to leave has committed trespass in the second degree; and
- (3) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 296, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 296, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Goodenow, Kanoho, Morihara and Yoshinaga.

SCRep. 451 Water and Land Use on H.B. No. 363

The purpose of this bill is to require the Board of Land and Natural Resources to submit an annual written report made of public lands. This bill requires at least 10% of all parcels to be reported on each year, and allows the Legislature to direct inclusion of particular parcels or areas in the next report by Concurrent Resolution.

The Department of Land and Natural Resources, and Ka Lahui Hawaii The Sovereign Nation submitted testimonies in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 363 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Yoshinaga and Thielen.

SCRep. 452 Water and Land Use on H.B. No. 381

The purpose of this bill is to appropriate moneys to the City and County of Honolulu to educate the public about the location of public access routes to the mountains, forests, and oceans in the North Shore region of Oahu.

The North Shore Spearfisher's and the Hui O He'e Nalu Surf Club submitted testimony in support of this bill. Ka Lahui Hawaii also testified on this measure.

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

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 381, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as H.B. No. 381, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Yoshinaga and Thielen.

SCRep. 453 Human Services and Housing on H.B. No. 143

The purpose of this bill is to:

- (1) Consolidate state housing functions by incorporating the functions of the Hawaii Housing Authority and the Housing Finance and Development Corporation into a new agency to be known as the Office of Housing;
- (2) Administratively attach the Office of Housing to the Department of Business, Economic Development, and Tourism (DBEDT); and
- (3) Keep the Rental Housing Trust Fund as a separate entity but administratively attaching it to DBEDT, rather than the Department of Budget and Finance.

Your Committee finds that housing affordability and availability are two of the most critical issues facing the people of Hawaii. In order to resolve the housing problem, a coordination of efforts is required, given the complexity of the problem.

Your Committee believes that the intent of this bill is to:

- (1) Improve the efficiency and effectiveness of state housing functions by grouping related functions into one organization; and
- (2) Provide the new consolidated agency with the flexibility to address the state's housing problems as the market conditions change.

Testimony supporting the concept of consolidation was received from the Governor's Special Assistant for Housing, the Hawaii Community Development Authority, the Hawaii Housing Authority, the Housing Finance and Development Corporation, the Rental Housing Trust Fund, and the American Association of Retired Persons.

Testimony in opposition to this bill was received from the Sierra Club.

Testimony was also received from the Department of Housing and Development, City and County of Honolulu, which took no position.

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

- (1) Identifying the new housing agency as the Housing and Community Development Corporation of Hawaii (HCDCH), rather than the Office of Housing;
- (2) Placing the HCDCH for administrative purposes within the Department of Human Services;
- (3) Establishing HCDCH as a corporate entity;
- (4) Allowing the Governor to appoint Board members, who will be subject to legislative confirmation;
- (5) Incorporating the Rental Housing Trust Fund within the HCDCH and renaming it the "Rental Housing Fund;"
- (6) Establishing the Rental Housing Fund Advisory Commission as an entity within the HCDCH, which will assist the HCDCH board and serve as the liaison between the HCDCH board and the general public; and
- (7) Repealing Chapter 201F, Hawaii Revised Statutes, pertaining to the Rental Housing Trust Fund.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 143, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 454 Human Services and Housing and Health on H.B. No. 163

The purpose of this bill is to:

- (1) Establish the Special Needs Housing Account under the Rental Housing Trust Fund Commission for the development of community housing for persons who are mentally ill; and
- (2) Establish the Supportive Housing Services Account in the Mental Health and Substance Abuse Special Fund into which shall be deposited moneys for services provided at the Hawaii State Hospital from Medicare, Medicaid, and other third party payors.

The Mental Health Association in Hawaii, the American Association of Retired Persons, and the Oahu Alliance for the Mentally Ill submitted testimony in support of this measure. The Housing Finance and Development Corporation, the Rental Housing Trust Fund, and the Department of Health submitted comments.

After careful consideration, your Committees have amended this measure by:

- (1) Broadening the categories of recipients of allocations for the development of noninstitutional community housing to any qualified applicants;
- (2) Providing that the Director of Health work with the Rental Housing Trust Fund Commission to establish criteria for projects eligible to receive funds from the Special Needs Housing Account;
- (3) Clarifying that the Supportive Housing Services Account applies to an array of services by deleting the word "housing";
- (4) Clarifying that moneys deposited in the Supportive Services Account may be expended to expand and enhance community-based services to facilitate the successful discharge of Hawaii State Hospital patients and to prevent hospitalization;
- (5) Changing the effective date to reflect that Section 3 will take effect when the Department of Health begins receiving moneys for services provided at the State Hospital from Medicare, Medicaid, and other third party payors; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 163, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 163, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Pendleton.

SCRep. 455 Health on H.B. No. 2025

The purpose of this bill is to appropriate funds for various capital improvement projects pertaining to health.

Kahuku Hospital and the Queen's Health Systems submitted testimony in support of this measure.

Your Committee has amended this measure by:

- (1) Including capital improvement projects for the Hawaii Health System Corporation facilities statewide; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2025, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2025, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stegmaier.

SCRep. 456 Health on H.B. No. 1819

The purpose of this bill is to clarify prescription labeling requirements.

Your Committee received supportive testimony from the Department of Health. Longs Drug Stores submitted testimony in support of this measure, but recommended amendments. The Hawaii Pharmaceutical Association submitted testimony in opposition of this measure.

Your Committee believes that the proposed language in this measure protects consumers by:

- (1) Providing enough information to ensure they will take medication as directed by the physician; and
- (2) Limiting the length of time a prescription may be refilled before the consumer must see the physician to obtain another refill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1819 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 457 Health on H.B. No. 1505

The purpose of this bill is to encourage the donation of pharmaceuticals and health care supplies by protecting charitable, religious, and nonprofit organizations that distribute these donated supplies from liability.

The Department of Health, the Hawaii State Primary Care Association, the Healthcare Association of Hawaii, the Hawaii Nurses' Association, the Hawaii Academy of Physician Assistants, the Hawaii Pharmaceutical Association, the Waianae Coast Comprehensive Health Center, the Kalihi-Palama Health Center, the Waikiki Health Center, the Hawaii Medical Association, the Hamakua Health Center, the Medical Service Representatives of Hawaii, and Papa Ola Lokahi submitted testimony in support of this measure and recommended amendments. The Department of Public Safety provided comments.

Your Committee has amended this measure by:

- (1) Limiting the definition of "needy persons" to natural persons who lack the means to obtain adequate or proper pharmaceuticals or health care supplies as determined by a practitioner at a Hawaii qualified health center;
- (2) Defining "gross negligence" for purposes of limiting liability;
- (3) Clarifying that prescription drugs must be prescribed and issued by a practitioner;
- (4) Stating that all pharmaceuticals and health care supplies shall comply with Chapter 328, Hawaii Revised Statutes, including penalty provisions; and
- (5) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1505, HD 1, and be referred to the Committees on Judiciary and Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 458 Health on H.B. No. 1105

The purpose of this bill is to require children entering school in the State for the first time to present proof of a dental examination by a licensed dentist.

The Kauai County Subarea Health Planning Council of the State Health Planning and Development Agency, the Kauai County Dental Society, the Kauai Dental Health Task Force, and Papa Ola Lokahi submitted testimony in support of this measure. The Department of Health and the State Health Planning and Development Agency submitted testimony in support of the intent of this measure. The Department of Education submitted comments.

Your Committee has amended this measure by:

- (1) Specifying that instead of requiring all schools in the State to comply, a two-year Demonstration Project for requiring certification of dental examinations be established in the County of Kauai;
- (2) Specifying the Department of Health and the Department of Education:
 - (A) Coordinate their efforts in the implementation and administration of the Demonstration Project; and
 - (B) Establish an educational program informing parents and the medical and dental communities of the requirements and purpose of the Demonstration Project; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1105, HD 1, and be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 459 Health on H.B. No. 494

The purpose of this bill is to expedite the process to allow optometrists to use and prescribe topical therapeutic pharmaceutical agents by amending the effective date of Act 292, Session Laws of Hawaii 1996, to July 1, 1997.

The Board of Examiners in Optometry and three concerned individuals submitted testimony in support of this measure. Numerous concerned individuals submitted testimony in opposition of this measure. State Farm Insurance Company submitted comments.

Your Committee agrees with expanding optometric services and supports the effort to expedite these services.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 494 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 460 Human Services and Housing on H.B. No. 519

The purpose of this bill is to:

- (1) Expand the celebration and range of activities honoring children from a week to a month; and
- (2) Include youths in the celebration by designating the first Sunday in October as "Children's and Youths' Day" and by designating the entire month of October as "Children's and Youths' Month".

Both written and oral testimony submitted by the Department of Human Services and its Office of Youth Services made it clear that there was strong support for this measure.

Your Committee believes that the intent of this bill is to recognize the value and contribution of children to our society and to strengthen the effort to include youths in this celebration.

Upon further consideration, your Committee has amended this bill by making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 519, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 461 Education on H.B. No. 2069

The purpose of this bill is to establish a community library assistance program through which the state library system supports community efforts to create and sustain libraries operated largely through volunteers.

Your Committee supports the intent of this bill and finds that it will enhance and facilitate the participation of volunteers in community libraries by making the resources of the state library system available to community groups who would otherwise lack such resources.

Your Committee amended this bill by changing the directive of the program from mandatory to discretionary, such that the program "may" provide assistance as needed, rather than "shall" provide assistance as needed.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2069, HD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2069, HD 2, and be referred to the Committee on Finance.

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

SCRep. 462 Education on H.B. No. 1118

The purpose of this bill is to provide funding for the implementation of a human resources system within the Department of Education (DOE) that will integrate personnel administration, recruitment, position management, payroll, and benefits recordkeeping.

Your Committee received testimony in support of this bill from the DOE.

Your Committee finds from the testimony presented that:

- (1) Personnel administration is the largest cost item in the DOE;
- (2) A state-of-the-art system is needed for effective and efficient management of personnel functions; and
- (3) The information provided by such a system will assist the Legislature in making decisions about the public school system.

Your Committee agrees with the intent of this bill to provide funding for such a system.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1118 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, Takamine, Yonamine, Halford and McDermott.

SCRep. 463 Education on H.B. No. 1008

The purpose of this bill is to appropriate funds for the installation of local area network infrastructure at all public schools to:

- (1) Ensure efficient intra- and inter-school communication; and

- (2) Allow students and teachers to access networked resources throughout the world.

Your Committee finds that such networks are essential to the education of today's students. However, many schools are deprived of any local area network connections due to lack of funds. Other schools that have such connections are forced to rely on fund-raising activities.

Your Committee has amended this bill by:

- (1) Broadening the type of network infrastructure to include wide area network infrastructure;
- (2) Changing the appropriation amount to a blank amount for the purpose of continued discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1008, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1008, HD 1, and be referred to the Committee on Finance.

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

SCRep. 464 Labor and Public Employment on H.B. No. 1625

The purpose of this bill is to:

- (1) Reconstitute the Advisory Commission on Employment and Human Resources as the Workforce Development Council (Council);
- (2) Specify the composition of the Council;
- (3) Specify the duties of the Council, its chairperson, and its executive director;
- (4) Change the composition of the Vocational Education Coordinating Advisory Council; and
- (5) Consolidate the Tourism Training Council, the Hawaii Job Training Coordinating Council, and the Job Service Employers Committee into the Council.

The Department of Labor and Industrial Relations, the Department of Business, Economic Development and Tourism, the Department of Human Services, and the chairpersons of the Advisory Commission on Employment and Human Resources, the Tourism Training Council, the Hawaii Job Training Coordinating Council, the Job Service Employers Committee, and the State Apprenticeship Council submitted testimony in favor of this bill. Testimony in support of the intent of the measure was received from the Department of Education and the University of Hawaii.

Hawaii has twenty-four different federally and state-funded employment and training programs, many with overlapping functions and authority. Your Committee finds that in these times of budget shortfalls, the present fragmented system needs to be streamlined to better respond to economic development needs, intensified international competition, and changing technology. This measure will establish a better coordinated and more cost-effective workforce development system to ensure that Hawaii has a skilled, productive workforce with a bright economic future.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1625 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 465 Labor and Public Employment on H.B. No. 1806

The purpose of this bill is to:

- (1) Reduce volatility of employer contributions to the pension accumulation fund of the Employees' Retirement System (ERS) through the use of a five-year moving average based on the total earnings of the ERS; and
- (2) Provide a corresponding set off of ten percent a year, cumulatively up to one hundred percent, for employer contributions to the pension accumulation fund to make up for actual investment earnings shortfalls.

Comments were received from the Department of Budget and Finance and the ERS. Testimony in opposition of this bill was received from the Hawaii Government Employees Association, the Hawaii State Teachers Association, the Hawaii State Teachers Association-Retired, and private citizens.

Under the current law, excess earnings or earnings shortfalls are computed by determining whether "realized" earnings fall above or below the investment yield rate applied in actuarial valuations (currently set at eight percent). Employer contributions are reduced by any excess earnings and increased to make up for any shortfalls. However, the ability of the ERS to satisfy its pension obligations is more accurately reflected by its "total" earnings, both realized and unrealized gains, rather than just its realized earnings. Your Committee finds that this measure will make employer contributions to the ERS less subject to year-to-year fluctuations and provide a sounder base upon which to determine whether employer contributions are really required.

Additionally, current law provides for a ten percent a year increase, beginning in fiscal year 1998, in the amount of excess earnings the ERS will be allowed to retain, rather than be used to reduce employer contributions to the pension accumulation fund. Your Committee finds that fairness requires the enactment of a corresponding set off. If in good years the ERS is permitted to retain a larger share of the excess earnings, in bad investment years the ERS should also absorb an increasing percentage of any shortfall.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1806 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Suzuki and Yamane.
(Representative Moses voted no.)

SCRep. 466 Labor and Public Employment on H.B. No. 1906

The purpose of this bill is to clarify the composition of the Employer-Union Trust Concept Committee (Concept Committee), which was established to develop and recommend a proposal to implement an employer-union trust concept for the administration of public employee and retiree health benefits.

This bill also requires the Director of Finance to submit three progress reports on the proposal to the Legislature no later than November 21, 1997, May 15, 1998, and November 21, 1998.

The University of Hawaii Professional Assembly submitted testimony in support of the intent of this measure. The Department of Budget and Finance, the Hawaii Public Employees Health Fund, the Hawaii Government Employees Association, the United Public Workers, the Hawaii State Teachers Association-Retired, the Voluntary Employees' Benefit Association of Hawaii, and the Hawaii State Teachers Association submitted comments on this measure.

Your Committee is aware of the difficult task faced by Concept Committee members to develop and recommend a proposal to implement an employer-union trust concept. Moreover, your Committee recognizes the complexity of issues related specifically to retiree benefits. However, because the proposal may have tremendous impact on all members of the health system, your Committee believes that some guidance is necessary so that the Employer-Union Trust Concept Committee can satisfactorily perform their duties. Therefore, clarifying amendments were made to this measure to further discussion.

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

- (1) Providing that the Concept Committee be composed of an equal number of representatives from each of the following groups:
 - (A) State and county public employers; and
 - (B) Public employee organizations;
- (2) Providing that one of the members shall be a retiree member of the Public Employees Health Fund, and who shall be selected by the Governor from a list submitted by the Public Employees Health Fund;
- (3) Providing that state and county public employers and public employee organizations each appoint a co-chair to lead the Concept Committee;
- (4) Requiring the Concept Committee to submit annual action plans on the proposal to the Legislature no later than November 1, 1997, and November 1, 1998;
- (5) Requiring the Concept Committee to propose a plan to incorporate retirees into the trust structure;
- (6) Providing a sunset date for the Concept Committee of June 30, 1999; and
- (7) Making 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 H.B. No. 1906, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1906, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Suzuki.

SCRep. 467 Labor and Public Employment on H.B. No. 1619

The purpose of this bill is to comply with the federal requirement that all assets and income of deferred compensation plans be held in trust for the exclusive benefit of participants and their beneficiaries.

Supportive testimony was submitted by the Department of Human Resources Development.

Your Committee believes that this measure will bring the State's deferred compensation plans into compliance with the Small Business Job Protection Act of 1996, Public Law 104-188. In addition, your Committee understands that this

measure will also apply to the deferred compensation retirement plan for part-time, temporary, and seasonal or casual employees.

Upon careful consideration, your Committee has amended this measure by changing the effective date from upon approval to July 1, 1997.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1619, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1619, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 468 Judiciary on H.B. No. 124

The purpose of this bill is to appropriate funds for the youth gang response system program to provide meaningful and productive alternatives to anti-social gang activities by providing funding for the youth gang response system.

Your Committee received testimony supporting this bill from the Department of Education, the Department of Human Services, the Social Science Research Institute, the Youth Gang Response System Working Committee, the Salvation Army and Parents and Children Together.

Your Committee finds that the Youth Gang Response System serves as a catalyst for the creation, modification and implementation of strategies, programs and policies to prevent the growth and impact of youth gangs in our communities. This statewide system provides a structure through which county, state and non-profit agencies work together in a coordinated effort that focuses on providing a range of services that includes early intervention as a strategy to make gang involvement less likely. We must continue to be vigilant about gangs and youth crime since gang membership is significantly related to all forms of delinquent behavior.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 124, HD 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 469 Judiciary on H.B. No. 1594

Your Committee received testimony in support of this bill from the Department of the Attorney General.

Your Committee finds that the Department of the Attorney General requires a more expeditious means of retaining attorneys for the State when the State requires representation and other legal services from attorneys outside the State. This bill's amendment to section 103D-102(b)(4), Hawaii Revised Statutes, protects the State's need to obtain timely and competent legal services without unduly diminishing the procurement code's objectives of fostering competition, controlling costs, and ensuring fair and equitable treatment of all who wish to provide services to the State.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1594 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, Hiraki and Menor.
(Representative Thielen voted no.)

SCRep. 470 Judiciary on H.B. No. 115

The purpose of this bill is to divert first-time offenders from the formal juvenile justice system by appropriating funds for the continuation of the pilot Teen Court Program (Program) and authorizing the Superintendent of Education to designate the schools which will participate in the Program.

Your Committee received supporting testimony on this bill from the Judiciary, the Office of Youth Services, the City and County of Honolulu's Department of the Prosecuting Attorney and Police Department, the Hawaii State Teachers Association and the Department of Education.

Your Committee finds that the Teen Court Program requires first time teen offenders to work with their peers, families and the community to take responsibility for their actions and provide restitution to the crime victim and the community. Unfortunately, peer pressure and poor decision making skills can lead teenagers into truancy and curfew violations. In most cases where juveniles become law violators, the pattern of behavior usually begins with trancies and curfew violations. Therefore, it is important to have programs like Teen Court intervene as early as possible so as to give the juvenile a greater sense of accountability and better decision making skills before they get involved in more serious misconduct, i.e, drug use or gang involvement.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 115, HD 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 471 Judiciary on H.B. No. 668

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for the production of a video to be shown on interisland and international flights to give visitors precautions on crime.

Your Committee received testimony on this bill from the Hawaii Visitors and Convention Bureau.

Your Committee finds that greater awareness on the part of visitors could help them avoid potentially dangerous situations and reduce the likelihood of a significant drop in travel to Hawaii caused by potential visitors' fear of crime.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 668, HD 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Herkes, Hiraki and Menor.

SCRep. 472 Judiciary on H.B. No. 1454

The purpose of this bill is to appropriate funding for a grant-in-aid to the police department of the City and County of Honolulu for the "No Hope In Dope" Program, which will provide for five additional positions and the leasing of office space.

The principal of Kapunahala Elementary School and several concerned individuals testified in support of this bill. The Department of Education testified in support of the intent of the bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 1997, to reflect the beginning of the upcoming fiscal year;
- (2) Making an appropriation of \$1 for the purpose of further discussion; 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 H.B. No. 1454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1454, HD 1, and be referred to the Committee on Finance.

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

SCRep. 473 Judiciary on H.B. No. 540

The purpose of this bill is to encourage economic development opportunities in the counties of Hawaii and Kauai by waiving all administrative rules in those counties, except to the extent that the rules are required by federal law or are necessary to maintain the health, safety, and welfare of those county residents, as determined by an independent, administrative rules board.

Your Committee received testimony on this bill from the Sierra Club, Hawaii Chapter and Hawaii's Thousand Friends.

Your Committee finds that DBEDT's business impact statement should be specifically included in the rulemaking process to make the public aware of any additional relevant information made available by the department.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 540, HD 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 474 Judiciary on H.B. No. 1591

The purpose of this bill is to:

- (1) Make the Hawaii State Clearinghouse for Missing Children a permanent state governmental program; and
- (2) Appropriate funds to pay the salaries of the coordinator and assistant to the coordinator and for general operating costs.

The Attorney General; the Department of the Prosecuting Attorney of the City and County of Honolulu; the Honolulu Police Department; the Alabama Department of Public Safety; the State of California Department of Justice; the Office of the District Attorney for the County of San Diego, State of California; the Office of the District Attorney for the County of Ventura, State of California; the Office of the District Attorney for the County of Santa Clara, State of California; the Hawaii Government Employees Association; the Advisory Board for the Hawaii State Clearinghouse for Missing Children; the Domestic Violence Clearinghouse Hotline; the National Center for Missing and Exploited Children; the Office of Hawaiian Affairs; and members of the public testified in support of the bill.

Your Committee has amended this bill by:

- (1) Replacing the sums appropriated with \$2 for the purpose of further discussion; 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 H.B. No. 1591, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1591, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Jones, Menor, Yoshinaga and Whalen.

SCRep. 475 Judiciary on H.B. No. 1610

The purpose of this bill is to authorize state agencies to indemnify, defend, and hold harmless United States agencies when necessary to receive federal benefits.

The Attorney General testified in support of the bill.

Your Committee finds that the federal government often requires that it be indemnified when contracting with the State and that the State's inability to indemnify the federal government has already resulted in a loss of valuable programs and services.

As an example, when the national parks were closed in 1996 due to the federal budget crisis, the State was unable to arrange for the emergency reopening of Hawaii's national parks because of the State's lack of authority to grant indemnification to the federal government. In another recent case, the State was unable to take advantage of a rent-free lease of federal land at the Honolulu Airport because the federal government insisted on indemnification.

Your Committee finds that by granting indemnification to the United States, the State would be able to take advantage of highly beneficial federal programs, which are offered by the federal government but cannot be accepted because of the State's inability to grant indemnification.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1610, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1610, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Jones, Menor, Yoshinaga and Whalen.

SCRep. 476 Judiciary on H.B. No. 2117

The purpose of this bill is to appropriate funds for the last phase of a four-phase project to upgrade the Honolulu Police Department's (HPD) telecommunications system.

The Department of Public Safety and HPD testified in support of the bill.

Your Committee finds that this last phase of upgrades to the HPD's telecommunications system would:

- (1) Allow HPD to purchase a "Mobile Data Terminal System"; and
- (2) Provide high-speed data communication links between the host data terminal and a laptop computer in the police vehicle.

This system would allow officers to make queries on auto vehicle registration, drivers license checks, warrant checks, theft reports, and real time stolen vehicle checks without the need for dispatcher intervention or assistance. Your Committee further finds that availability of this data to field officers will give patrol and special investigation units the tools to deal effectively and efficiently with crime in Hawaii.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$2 for purposes of further discussion; 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 H.B. No. 2117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2117, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Jones, Menor and Yoshinaga.

SCRep. 477 Transportation on H.B. No. 417

The purpose of this bill is to provide funding for the Department of Land and Natural Resources' (DLNR) Trail and Access Program through a proportional share of the fuel tax revenue, user fees, and private donations deposited into the Special Land and Development Fund.

Your Committee on Transportation finds that funding for this DLNR program is through non-permanent and fluctuating legislative appropriations and federal grants. This program is responsible for developing a statewide trail and access system, which involves increasing the mileage of public trails and accesses and ensuring that they are suitable for public use. The demand for multi-use trails is increasing; however, public trails may have to close due to insufficient funding. The continued success of this program requires a stable funding base for proper maintenance of these trails and accesses to ensure public safety.

This bill proposes to deposit 0.3% of the highway fuel tax, user fees and private donations into the Special Land and Development Fund to be expended by the DLNR for the program. The bill appropriates \$1 but not more than \$500,000 from this fund.

Testimony in favor of this bill was heard from the Department of Transportation, Board of Land and Natural Resources, Sierra Club, Democratic Party of Hawaii, County of Maui, Plan to Protect Kona, and Hawaiian Equestrian and Trails Association.

Your Committee on Transportation has amended this bill by limiting the amount of fuel tax allocated for the program to \$250,000.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 417, HD 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 417, HD 2.

Signed by all members of the Committee.

SCRep. 478 Transportation on H.B. No. 1399

The purpose of this bill is to deregulate economic regulations of the "one to seven passenger" vehicles and transfer non-economic regulatory control of these vehicles from the Public Utilities Commission (PUC) solely to the counties.

Your Committee finds that the regulation of "one to seven passenger" motor carriers by the PUC was provided to promote competition in this market, resulting in savings for consumers. Your Committee further finds that vehicles carrying seven or fewer passengers behave in a competitive manner, making PUC regulation unnecessary, and that functions performed by the PUC should be transferred to the counties.

This bill proposes to eliminate the PUC's economic regulations for entrance into this market, rate requirements, and routes for public passenger vehicles carrying no more than seven passengers. The policy of the State is to promote safe and reliable privately-operated public passenger vehicles services. PUC regulations regarding safety and financial insurance will be transferred to the county.

Testimony in favor of this measure was heard from the Public Utilities Commission, Department of Business, Economic Development and Tourism, and Department of Commerce and Consumer Affairs. Testimony in opposition was heard from the City and County of Honolulu, Hawaii Transportation Association, Trans Hawaiian Transportation, Kauai Tourism and Kauai Limo Corporation.

Your Committee has amended this bill by adding a new section for amendments to the definition of "public utility" in section 269-1 of the Hawaii Revised Statutes. This amendment deletes "one to seven passenger" vehicles from the "public utility" definition which will exclude these vehicles from the public service company tax. The bill is further amended by deleting the unnecessary language on page 1, lines 10 to 16.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1399, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 479 Transportation on H.B. No. 1912

The purpose of this bill is to authorize the Department of Transportation (DOT) to designate a private toll road from Waikele to the downtown central business district to be entirely funded and owned by a private developer.

Hawaiian Dredging Construction Company and an individual testified in support of this measure. DOT supported the intent of this measure.

DOT noted that the authorization, operation, and maintenance of any private toll road would be an ambitious undertaking, requiring compliance with federal, state and county laws and regulations.

Notwithstanding these considerations, your Committee finds that not only would the construction of a private toll road alleviate the traffic problems facing residents of Leeward Oahu, but it would boost the ailing economy with the creation of construction jobs. Furthermore, the authorization of a private toll road should not be limited to only one area.

Accordingly, your Committee has amended this measure by:

- (1) Granting DOT broad authority to designate toll roads;

- (2) Specifying that DOT may exercise the power of eminent domain for the authorization of toll roads, as long as the costs incurred in the acquisition of any property be paid by the private developer of the road;
- (3) Specifying that the private developer be responsible for construction of the toll road, and not only the toll booths; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1912, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1912, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 480 Public Safety and Military Affairs on H.B. No. 1634

The purpose of this bill is to clarify that the Hawaii Paroling Authority has discretion in the issuance and amount of funds to discharged committed persons.

The Hawaii Paroling Authority testified in support of the bill.

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

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1634, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1634, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 481 Public Safety and Military Affairs on H.B. No. 2151

The purpose of this bill is to provide for the complete restoration of the Waikiki War Memorial Natatorium (Natatorium) through private funding and ensure the continued operation and maintenance of the Natatorium by the City and County of Honolulu (City).

Testimony in support of the bill was received by the Office of Veterans Services, the City and County of Honolulu, Department of Parks and Recreation, Branch 46 of the Fleet Reserve Association, the Oahu Veterans Council, the Historic Hawaii Foundation, the Friends of the Natatorium, the Hawaii Committee of U.S. Water Polo Inc., and several members of the public.

The Department of Land and Natural Resources supported the measure but raised concerns with respect to limiting the City's negotiations to a specific nonprofit entity. One individual opposed the bill.

Your Committee finds that the Natatorium is in a state of extreme deterioration and was closed in 1980 due to a lack of funds to make necessary repairs. Although the Natatorium remains the property of the State, the responsibility for its operations lies with the Department of Parks and Recreation of the City, County of Honolulu.

Your Committee further finds that as a result of the State's current fiscal condition, it is unlikely that sufficient funds can be allocated for a complete renovation. As such, the State must look to private entities that are able and willing to raise the funds necessary to restore this valuable war memorial.

Your Committee has amended this bill by:

- (1) Removing the provision that exempts the City from procurement laws when contracting with the agency to be responsible for the restoration efforts;
- (2) Indicating that the City may contract with any entity;
- (3) Clarifying that any concessions or museum established at the Natatorium be consistent with the purposes of the memorial;
- (4) Clarifying that any other measures taken for the complete restoration of the Natatorium be consistent with the purposes of the memorial; and
- (5) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2151, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2151, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 482 Consumer Protection and Commerce on H.B. No. 1207

The purpose of this bill is to create a reinsurance enterprise zone within the state, which would attract the formation and maintenance of qualified reinsurers in the state through tax and regulatory incentives.

The bill proposes to attract qualified reinsurance companies to Hawaii by establishing a reinsurance enterprise zone in the State that would, among other things:

- (1) Allow admitted reinsurers to conduct business in Hawaii under limited regulation;
- (2) Direct the Governor to seek federal tax exemptions for admitted reinsurers; and
- (3) Require that a portion of the taxes or fees collected from reinsurers be to utilized for the benefit of native Hawaiians.

Supportive testimony was received from Marsh and McLennan, the Hawaii Captive Insurance Council, Coopers and Lybrand L.L.P., and Bank of Hawaii. The Department of Business, Economic Development, and Tourism submitted testimony supporting the intent of the bill. The Department of Commerce and Consumer Affairs expressed concerns about the measure.

Your Committee believes that to fully appreciate the potential of what this bill can accomplish for Hawaii, it is helpful to look to an island in the Atlantic Ocean, approximately 700 miles off the coast of North Carolina.

Testimony indicated that one of, if not the most successful off-shore captive insurance and insurance domiciles in the world is the Commonwealth of Bermuda. Bermuda is home to over 1,000 captive insurance companies and a growing number of reinsurers, making Bermuda's insurance industry the largest sector of its economy. Next to the London market, New York, Munich, and Bermuda are the most recognized domiciles for reinsurers. Although Bermuda has successfully attracted captive insurance companies and reinsurers primarily from North America and Europe, there are also companies based in Pacific Rim countries such as Japan that have formed captives or reinsurers in Bermuda.

Testimony also indicated that according to the January 21, 1997, issue of Lloyd's Insurance Day, Bermuda's 534 registered commercial insurers, excess liability reinsurers, and catastrophe reinsurers account for \$15,600,000,000 of gross premium revenue, with capital and surplus of \$21,200,000,000. If Hawaii were successful in attracting even a fraction of this market, the economic benefits to the State would be significant.

The Hawaii Captive Insurance Council pointed out that with the recent increase in growth in the economies of Pacific Rim countries, over the long term, it may be possible to replicate Bermuda's success here in the Pacific Basin.

Unfortunately, Hawaii is not the first jurisdiction to recognize this potential. Citing the success that Bermuda has achieved through its insurance industry, which now employs more than 17,000 people, the Territory of Guam, as part of its "Vision 2001", which is a joint effort between the government and private sector, has embarked upon a program to develop itself as the financial and insurance hub of the Pacific.

Hawaii already has the technological infrastructure in place to develop this type of industry. Additionally, through its growing captive insurance industry, which has grown from its inception in 1987 to make Hawaii the second largest captive domicile in the United States, the State is gaining increased recognition in what is sometimes referred to as the alternative risk transfer sector of the insurance industry.

However, one advantage that Hawaii does not currently enjoy for this type of industry are tax incentives that jurisdictions such as Bermuda, the Cayman Islands, and Guam are able to offer.

Your Committee believes that some of the economic benefits of this bill to the State would include:

- (1) Creation of a new, "clean" industry;
- (2) Creation of professional job opportunities for our educated youth, thereby mitigating the "brain drain" of our best and brightest;
- (3) An influx of capital and premium dollars into the State's economy;
- (4) Support of Hawaii's visitor industry, as potential insureds travel here to negotiate with underwriters;
- (5) Convenient access to reinsurance products for Hawaii businesses, government, and captive insurance companies;
- (6) Attract businesses from Pacific Rim countries and the United States in the form of:
 - (A) Investments in the formation of admitted reinsurers; or
 - (B) Purchasers of reinsurance products; and
- (7) A portion of premium taxes paid by admitted reinsurers would be used to benefit native Hawaiians, including the payment of reparations.

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

- (1) Setting the tax on reinsurers at one percent;

- (2) Directing the Governor to seek all the federal tax incentives listed in the bill;
- (3) Directing the Governor to seek an elimination of all federal income tax for qualified reinsurers for a period of twenty years from the date of the first reinsurance policy; and
- (4) 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 Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1207, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1207, HD 1, and be referred to the Committee on Finance.

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

SCRep. 483 Labor and Public Employment on H.B. No. 1986

The purpose of this bill is to assist legal immigrants become naturalized citizens to avoid the loss of federal benefits by appropriating funds to:

- (1) Develop bilingual citizenship classes;
- (2) Conduct bilingual outreach and community education programs on the benefit and responsibility of becoming U.S. citizens; and
- (3) Educate and prepare eligible legal immigrants for the naturalization examination.

Supportive testimony was submitted by the Hawaii Civil Rights Commission, Child and Family Service, the President of the Oahu Filipino Community Council, the Susannah Wesley Community Center, the President of the Filipino Coalition for Solidarity, and several individuals. The Department of Labor and Industrial Relations submitted comments on this measure.

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

- (1) Deleting the \$100,000 appropriation and inserting \$1 for further consideration of funding by the House Finance Committee; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee recognizes the importance of bilingual citizenship classes in helping to prepare legal immigrants for the naturalization examination. Your Committee also recognizes that citizenship is a major step in the commitment of immigrants to their new home and in the process of their becoming productive and contributing members of society. Furthermore, for limited English-speaking immigrants who are working, tax-paying residents, these classes are essential to assist them in becoming naturalized citizens so that should the need arise they would be eligible for federal public assistance benefits.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1986, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakasone, Case, Hiraki and Takumi.

SCRep. 484 Labor and Public Employment on H.B. No. 1814

The purpose of this bill is to allow contributory plan members of the Employees' Retirement System (ERS) to purchase membership service on a pre-tax basis resulting in the tax deferral of employee contributions.

The Honolulu Police Department and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, submitted testimony in support of this bill. The administrator of the ERS submitted comments stating that this amendment should enable contributory plan members to qualify for favorable tax treatment.

Your Committee finds that the provisions of this bill will allow ERS plan members to "purchase" service by payroll deductions on a pre-tax basis, rather than through the current after-tax basis. This will enable ERS plan members to defer federal income taxes on their contributions into the ERS until such time that distribution is made.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1814 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 485 Labor and Public Employment on H.B. No. 1630

The purpose of this bill is to:

- (1) Clarify the intent of the Department of Labor and Industrial Relations (DLIR) to disclose and provide access to government records;
- (2) Prohibit the disclosure of the identity of employees who provide information to the DLIR in connection with the administration and enforcement of Hawaii's Occupational Safety and Health Law;
- (3) Allow the disclosure of records after all administrative proceedings have become final, such that the disclosure will not interfere with the DLIR's function in assuring public and worker safety; and
- (4) Prohibit the use of state employees as witnesses in cases where the State is not a party to the proceedings.

Testimony in support of this bill was received from the DLIR and the Office of Information Practices.

No testimony in opposition to this bill was received.

Your Committee believes that the intent of this bill is to provide a meaningful balance of the public's right to access government records with the individual's right to privacy by creating certain confidentiality provisions. Your Committee finds that opening inspection records to the public will strengthen the democratic process, provide for accountability of government action, and promote government efficiency and effectiveness.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1630 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 486 Labor and Public Employment on H.B. No. 1629

The purpose of this bill is to:

- (1) Prohibit the disclosure of the identity of employees who provide information to Hawaii's Occupational Safety and Health Division (HIOSH) in connection with the administration and enforcement of Hawaii's Boiler and Elevator Safety Law;
- (2) Prevent the release of any records relating to a HIOSH proceeding for enforcement or review until after the proceeding has become final and conclusive; and
- (3) Prohibit civil litigants from obtaining, admitting, or otherwise using the oral or written testimony of any state employee in proceedings in which the State is not a party.

The Department of Labor and Industrial Relations (DLIR) and the Office of Information Practices submitted testimony in favor of this bill. A private individual testified recommending modification of certain provisions relating to the Boiler and Elevator Safety law for clarification of the intent of the proposed new language by including language stating the availability of routine testing and inspection records maintained by DLIR.

Your Committee finds that the confidentiality provisions of this measure will:

- (1) Permit employees to report irregularities and violations of Hawaii's Boiler and Elevator Safety Law without fear of retaliation;
- (2) Serve to prevent any possible interference in HIOSH proceedings; and
- (3) Ensure that HIOSH inspectors are free to conduct safety inspections and investigations rather than spending their time acting as witnesses in civil litigations in which the State is not a party.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1629 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 487 Higher Education on H.B. No. 137

The purpose of this bill is to appropriate funds for the development of a multi-disciplinary degree program at the East-West Center (EWC), in cooperation with the University of Hawaii (University) and the Department of Business, Economic Development, and Tourism (DBEDT).

DBEDT and an individual supported the intent of the bill. The University and EWC submitted comments on the bill.

Several testifiers noted that EWC is not a degree-granting institution. Furthermore, EWC testified that it does not plan to offer such programs in the future. Rather, EWC provides scholarships for students to enroll in University programs.

UH testified that it is working with EWC on a graduate certificate program that would be administered by the University but would have both University faculty and EWC researchers involved in its organization and delivery. EWC testified that multi-disciplinary degree programs focused on the Asia Pacific region can help young people better prepare themselves for careers in the region.

Your Committee has amended the bill by:

- (1) Appropriating the funds for certificate and special programs, in addition to degree programs;
- (2) Appropriating the funds for programs at the University rather than at EWC;
- (3) Deleting DBEDT from the cooperative relationship;
- (4) Making the cooperative relationship a joint partnership instead;
- (5) Focusing the programs on the "economic growth and integration of the Asia Pacific region" rather than on the "growth of the Pacific region";
- (6) Changing the expending agency from EWC to the University; and
- (7) 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 that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 137, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 137, HD 1, and be referred to the Committee on Finance.

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

SCRep. 488 Higher Education on H.B. No. 886

The purpose of this bill is to appropriate funds to expand higher education outreach programs on the Neighbor Islands on a dollar-for-dollar matching basis.

The University of Hawaii (University) and the Department of Education submitted testimony in support of the bill.

Your Committee finds that providing access to high quality programs and services, especially through outreach, continues to be a major priority for the University. The University has responded to the special needs of the Neighbor Islands by establishing University Centers to promote and facilitate the delivery of programs not already available in those communities.

Your Committee has amended the bill by:

- (1) Deleting the appropriation for outreach programs in general; and
- (2) Adding separate unspecified outreach appropriations for Maui Community College, Kauai Community College, and the West Hawaii University Center.

Your Committee respectfully suggests the amounts to be inserted later for these separate appropriations are as follows:

	<u>FY97-98</u>	<u>FY98-99</u>
Maui Community College	\$200,000	\$300,000
Kauai Community College	\$200,000	\$300,000
W. Hawaii University Center	\$1,000,000	\$1,000,000

The reason that a relatively large amount is suggested for the West Hawaii University Center is that, unlike the situation at the two community colleges, all of the programs at the center are considered to be outreach.

Your Committee leaves it to the discretion of the Committee on Finance, as it considers all other State appropriations, to determine suitable figures to be inserted in the bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 886, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 886, HD 1, and be referred to the Committee on Finance.

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

SCRep. 489 Higher Education on H.B. No. 906

The purpose of this bill is to appropriate funds for various capital improvement projects related to higher education.

The University of Hawaii (University) submitted testimony in support of the bill.

Your Committee agrees that adequate facilities enable the University to successfully pursue its broad mission of instruction, research, and community service.

The bill has been amended by adding appropriations for the following projects:

- (1) University of Hawaii at Hilo, College of Agriculture building, phase II;
- (2) Maui Community College campus development for additional construction for the Food Service Building P;
- (3) Campus development for West Oahu Campus to transfer and install nine portable classrooms from Kapiolani Community College to Leeward Community College for use by the West Oahu Campus; and
- (4) Windward Community College campus development for site infrastructure, phase II.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 906, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 906, HD 1, and be referred to the Committee on Finance.

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

SCRep. 490 Higher Education on H.B. No. 2260

The purpose of this bill is to appropriate matching funds to the University of Hawaii in order to attract research grants in astronomy, oceanography, renewable energy, and tropical agriculture.

The University of Hawaii, the University of Hawaii Professional Assembly, and an individual submitted testimony in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting \$2,000,000 as the sum to be appropriated and inserting the sum of \$1 to facilitate further discussion; 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2260, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Yonamine.

SCRep. 491 Tourism on H.B. No. 112

The purpose of this bill is to amend the Hawaii Revised Statutes to permit testimony of the victim or witness in a criminal case in which the victim is not a resident of the state.

Your Committee received testimony as follows:

1. City and County of Honolulu Department of the Prosecuting Attorney, City and County of Honolulu Police Department, Hawaii Hotel Association, Waikiki Improvement Association, one private individual, in support; and
2. Department of the Attorney General, Department of Business, Economic Development, and Tourism, State of Hawaii Judiciary, in comment.

Your Committee finds that many factors cause criminals to specifically target visitors, including the following:

1. Victim's lack of familiarity with the islands;
2. Victim's tendency to carry large amounts of cash;
3. Greater likelihood that the victim will be unwilling to report the incident to the police;
4. Greater likelihood that the victim will be unwilling or unable to return to Hawaii to testify;
5. Greater legal obstacles to obtaining and serving a subpoena on residents of foreign countries.

The high rate of crimes against visitors decreases the quality of life for residents of the State by reducing confidence in public safety when crimes are committed without fear of punishment. In addition, most criminal offenders do not restrict their activities to visitors alone and also threaten the safety and property of residents. Crimes against visitors also reduce the quality of life for Hawaii's residents by negatively affecting tourism, the biggest contributor to the State's economy and job market.

Allowing testimony of witnesses by video-conference removes most of the significant obstacles to obtaining testimony by non-residents and, by providing live, simultaneous, viewing of all parties and enabling full cross-examination, does not violate a defendant's constitutional right to confront witnesses.

Your Committee revised the bill by:

1. Providing that the new section added to Chapter 801D, Hawaii Revised Statutes allows testimony by two-way closed circuit video, subject to the new rule 616(b) of the Hawaii Rules of Evidence;
2. Adding Rule 616(b) to the Hawaii Rules of Evidence to require that testimony of a crime victim by two-way closed circuit video be subject to the court finding that:
 - a. The victim is unavailable pursuant to Rule 804(a) of the Hawaii Rules of Evidence or was a resident of a foreign country;
 - b. The nature of the testimony is amenable to presentation by video;
 - c. The testimony satisfies rules of evidence regarding hearsay.
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 112, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 112, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 492 Human Services and Housing on H.B. No. 1342

The purpose of this bill is to allow one single-family dwelling per five-acre lot on lands within an agricultural district which are not suited for agricultural activities.

Both written and oral testimony submitted by the Board of Agriculture, the Land Use Commission, the Department of Business, Economic Development and Tourism, the County of Hawaii Planning Department, the Hawaii Chapter Sierra Club, the Land Use Research Foundation of Hawaii, Hawaii's Thousand Friends, among a number of interested individual citizens, raised numerous concerns over this measure. The bill indicates that the Hawaii state statutes recognize that not all lands within agricultural districts are suitable for agricultural or ancillary activities. A declaratory ruling, however, issued by the Land Use Commission, restricting single-family dwellings within an agricultural district to those which are farm dwellings or related to agricultural activity, ignores reality, creates hardship, and unnecessarily limits those owning said land from utilizing it.

The Committee recognizes that there are diverse issues involved in this legislation due to conflicting concerns over land use, development, and preservation. At the same time, however, because the zoned agricultural land cannot be utilized as designated, the Committee believes that there is undue hardship placed on the owners of the said property.

Therefore, your Committee has amended this measure by:

- (1) Including in the amended Section 205-2, subsection (d)(8), Hawaii Revised Statutes, the condition of approval for proposed land use by the subject county planning commission,
- (2) Including, in the same amended Section 205-2, subsection (d)(8), H.R.S., a limit of five-acre lots upon which a single-family dwelling can be located on said agriculturally zoned district.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1342, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1342, HD 1, and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee.

SCRep. 493 Human Services and Housing on H.B. No. 166

The purpose of this bill is to designate the old Kaimuki Library as a senior center and to require the existing tenants to vacate the facility.

The Kaimuki Neighborhood Board #4 and several individuals submitted testimony in support of the bill. The Department of Education submitted comments on the bill.

Your Committee is sensitive to the recreational, social service, and health needs of senior citizens, which must be addressed. At the same time, your Committee also sympathizes with the existing tenants of the old Kaimuki Public Library since they serve an important public function. Converting the facility to a senior center would require relocating the existing tenants to an alternate site. The costs associated with this transfer and converting the facility for use as a senior center has not yet been determined.

Your Committee has amended the bill by:

- (1) Requiring the Department of Accounting and General Services to submit a report of the feasibility of converting the old Kaimuki library to a senior center to the Legislature;
- (2) Adding conditions that must be met before the existing tenants vacate the facility, specifically, that:

- (a) An alternative site for a senior center is not found; and
- (b) The transfer of the existing tenants to another site is economically feasible.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 166, HD 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 166, HD 2.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 494 Human Services and Housing on H.B. No. 1463

The purpose of this bill is to assist care home administrators meet their operational costs by appropriating funds to increase the reimbursement rate for adult residential care home operators.

Supportive testimony was received from the President of the Alliance of Residential Care Administrators, the United Group of Home Operators, the Hawaii Long Term Care Association, and numerous residential care home administrators. Comments were submitted by the Department of Human Services.

Your Committee is cognizant that many of the costs associated with providing care home services have continued to rise over time and that many providers must cope with increases in the costs of food, supplies, utilities, insurance premiums, taxes, maintenance and repairs, and other expenses. Your Committee believes that these care home providers are deserving of an increase to ensure the highest standards of care for the elderly and the chronically ill.

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

- (1) Appropriating the sum of \$1,365,888 for fiscal year 1997-1998 and \$1,380,888 for fiscal year 1998-1999 for reimbursements to operators of adult residential care homes; 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1463, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1463, HD 1, and be referred to the Committee on Finance.

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

SCRep. 495 Ocean Recreation and Marine Resources on H.B. No. 1740

The purpose of this bill, as received by your Committee on Ocean Recreation and Marine Resources, is to:

- 1. clarify that intentional misrepresentation or false statements made in receipts or reports required under subtitle 5 of title 12, Hawaii Revised Statutes (HRS), shall constitute a violation;
- 2. clarify that violations of chapter 187A, HRS, are subject to penalties under section 187A-13, HRS;
- 3. clarify that sections 187A-14 and 187A-15, HRS, shall apply throughout subtitle 5 of title 12, HRS;
- 4. clarify when the Department may dispose of seized items used in violation of subtitle 5 of title 12, HRS;
- 5. increase the penalty for the violations of sections 188-23 and 195D-9, HRS, from a misdemeanor to a class C felony;
- 6. establish minimum and graduating fines within Chapter 187A, 188 and 189, HRS; and
- 7. consolidate and standardize penalties in Chapter 189, HRS.

Your Committee agrees with the need to clarify that intentional misrepresentation of reports or receipts should be considered a violation and penalties must be set to deter such violations. In addition, other penalty provisions in the fishery statutes need to be amended to consolidate and standardize them for clarity and accuracy to enable the Department to carry out its responsibilities. Your Committee also finds that the Department needs to be able to dispose of seized items; and the use of poisons, explosives and electrofishing require more severe penalties.

Testimony in support of the measure was received from the Department of Land and Natural Resources with suggested amendments that resulted from further consultation with the Department of the Attorney General - Criminal Justice Division. These amendments are needed to aid enforcement and prosecution. In addition, the Chairman of the Western Pacific Regional Fishery Management Council submitted testimony in support of this measure.

Your Committee amended this bill by using the proposed changes suggested by the Department of Land and Natural Resources as follows:

- 1. simplify the language for penalties in section 3, 6 and 7; and
- 2. adding a sentence at the end of Section 195D-8 that would enable the Department to immediately release any natural resources back to the wild upon seizure as a means to conserve valuable 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 H.B. No. 1740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1740, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Meyer and Thielen.

SCRep. 496 Ocean Recreation and Marine Resources on H.B. No. 1737

The purpose of this bill is as follows: 1) to limit the number and type of aquatic life that may be taken with a small mesh net; 2) authorize the Department of Land and Natural Resources to establish administrative rules to allow use of traps with smaller than the minimum mesh size having at least one escape opening; 3) to delete the commercial marine license fee waiver for trainees; 4) to provide the Department with flexibility to exempt certain commercial marine licenses from having to report monthly; and 5) to clarify when the Department needs to report on wet weight harvest of certain precious corals.

Your Committee finds that there is a need for the Department of Land and Natural Resources to limit the number and type of aquatic life that may be taken with a small mesh net; to establish rules in regards to certain traps; delete license fee waivers for trainees; delete some reporting requirements for some licensees and clarify when reports are required for coral harvests.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1737 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Goodenow, Meyer and Thielen.

SCRep. 497 Ocean Recreation and Marine Resources on H.B. No. 1735

The purpose of this bill, as received by your Committee on Ocean Recreation and Marine Resources, is to expand the Department of Land and Natural Resources's rule-making authority to all aquatic-resource-related statutes and to clarify that violation of such rules are not limited to punishment provided under section 188-70, Hawaii Revised Statutes.

Your Committee finds that managing Hawaii's aquatic resources is an important priority that has received inadequate attention in the past. Your Committee also finds that the Department of Land and Natural Resources is limited in its legal authority to effectively manage the State's aquatic resources because it does not have clear authority to establish licenses and permits, open and closed areas and open and closed fisheries. Your Committee also supports the involvement of all affected parties in the rule-making process to maximize compliance with such rules.

Testimony in support of the measure was received from the Department of Land and Natural Resources, which noted that the involvement of all affected parties in the rule-making process is key to promote understanding and cooperation, important for effective management and enforcement. Testimony in support of the measure was also received from the Chairman of the Western Pacific Fishery Management Council and a private individual. The Hawaii Conservation Association also provided supportive testimony with the recommendation that such expanded rule-making authority must also come with expanded public input mechanisms that are established at the same time.

Your Committee amended this measure as follows:

1. Require the Department of Land and Natural Resources to develop the proposed rules in cooperation with community-based advisory groups in the local area where the fishery is proposed to be regulated;
2. The Department is directed to select representatives of the various user groups in the nearshore marine waters to serve on these advisory groups; and
3. The advisory group members shall serve without compensation.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1735, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1735, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Morihara.

SCRep. 498 Ocean Recreation and Marine Resources on H.B. No. 1965

The purpose of this bill, as received by your Committee on Ocean Recreation and Marine Resources, requires the Department of Land and Natural Resources to inspect all incoming vessels if there appears to be a substantial likelihood that non-native aquatic life may be introduced into state marine waters from ballast water contained in the holds of the vessel or from encrusting growth attached to the hull of the vessel.

Your Committee finds that there is a critical need to address the problem of introduction of alien aquatic species in the ballast water on the hull, or both, that could pose a threat to Hawaii's environment. These alien species have the potential of causing significant damage to the marine ecosystem of Hawaii, displacing native species, causing growth in population of biotoxic organisms and threatening public and ecosystem health.

Testimony in support of the intent and purpose of this bill was submitted by the Department of Land and Natural Resources with the suggestion that the development of a comprehensive policy is needed with the partnership of concerned state and federal agencies. Additional testimony in support of the measure was received from the American Fisheries Society, Hawaii Chapter and the Kauai District Aquatic Biologist.

Your Committee amended this bill by adopting the suggestion of the Department of Land and Natural Resources and directed the department to work with concerned state and federal agencies to develop a comprehensive policy, objectives and proposed rules to implement the Act. The proposed rules then would be formalized through the Chapter 19 rule-making process.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1965 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1965, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Meyer and Thielen.

SCRep. 499 Ocean Recreation and Marine Resources on H.B. No. 1548

The purpose of this bill, as received by your Committee on Ocean Recreation and Marine Resources, is to establish licensing requirements for the exporting and collecting of aquarium fish. Requires the Department of Land and Natural Resources to improve the enforcement of fishing restrictions and its data collection on the number, species, and size of fish caught and exported.

Your Committee finds that aquarium fish collecting is an important economic activity of the state fishery industry. However, there are concerns about the sustainability of the fishery and the conflicts between the fishery and ocean recreation industries such as dive charters and snorkelers. Your Committee also finds that the industry itself has expressed a willingness to improve management of the fishery through a licensing process, increased license fees and improved data collection and enforcement.

Testimony in support of this measure was received from the Department of Land and Natural Resources with specific suggestions for amendments specifying that such licenses, as are created under this measure, are for commercial purposes only, and that reporting requirements must still be met. Additional testimony in support was received from the Chairman of the Western Pacific Fishery Management Council. The Hawaii Conservation Association supported the measure with suggested amendments to clarify the lack of scientific evidence to make conclusions about any depletion in fish stocks, and to improve data collection, enforcement and community based advisory mechanisms.

Supportive testimony was received from many companies and individuals with suggested amendments regarding license renewal requirements, broadening the scope of "scientific" opinion to include those with experiential knowledge, utilizing the "precautionary principle" and clarifying that this license system was for commercial collectors only. One individual gave supportive testimony with the suggestion to utilize traditional Hawaiian fishery management techniques and names.

Testimony in opposition to this measure was received from several individuals who lamented that the fees were too high, especially for part-time aquarium fish collectors.

Your Committee has amended the measure as follows:

1. Noting that there is dispute in the scientific community regarding the specific impact of aquarium fish collecting on the target species stocks;
2. Ensure that all those with existing licenses are provided the opportunity to renew their licenses;
3. Authorize the department to set a limit on the number of licenses through a specified process;
4. Specify that the subject licenses are for commercial aquarium fish purposes only. All other collecting or dealing of marine life for commercial purposes shall meet the requirements of any other applicable statutes and rules;
5. State that reporting requirements must be met fully;
6. Direct that the license fees will be deposited in the commercial fisheries special fund;
7. Direct the department to take steps to analyze and evaluate data to determine the sustainability of the fishery; and
8. Direct the department to work with the local community advisory groups to identify and resolve use conflicts as they relate to aquarium fish collecting.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1548, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1548, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Morihara.

SCRep. 500 Higher Education on H.B. No. 858

The purpose of this bill is to restore fiscal flexibility to the University of Hawaii (University) by allowing the University to carry over funds and by exempting the University from quarterly allotment periods until 6/30/2001.

Your Committee received testimony in support of this bill from the University.

Your Committee finds that the University is the foundation for economic prosperity and development in the State, not only for the current generation but for generations to come. As the only public, post-secondary institution in the State, the University must have the fiscal flexibility to become an international educational, research, and service center in the United States and throughout the Pacific/Asian countries.

Therefore, your Committee agrees with the intent of the bill to allow the University greater fiscal flexibility. Your Committee has amended the bill by deleting the section which granted the Governor the power to temporarily suspend any allowance or exception conferred upon the University by sections 37-34, 37-35, 37-36, 37-37, and 37-74, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 858, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 858, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Takumi, Yonamine, Halford and McDermott.

SCRep. 501 Health on H.B. No. 647

The purpose of this bill is to codify the public health nursing program in order to recognize the unique roles and functions of the public health nursing program in the delivery of direct clinical services to the people of the State.

Extensive testimony was heard in support of this measure by representatives of agencies and concerned individuals. The Department of Health also submitted comments on the bill.

Your Committee acknowledges that public health nurses are an integral component of the health care system. This bill clarifies and validates the variety of ways public health nurses serve the community to protect and enhance the public's quality of life.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 647 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 502 Health on H.B. No. 626

The purpose of this bill is to allow registered nurses to determine if a person is dead.

The Healthcare Association of Hawaii and the Hawaii Nurses' Association submitted testimony in support of this bill. The Board of Nursing submitted testimony that it had not consensus of opinion regarding this bill.

Your Committee finds that registered nurses are an integral part of the medical services provided in hospitals and long term care facilities. The provisions of this bill will reduce hardships for families who currently have to wait for a physician to pronounce a patient's death. However, this bill does not change the certification requirements of Chapter 338, Hawaii Revised Statutes, which requires that a physician certify a death.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 626 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 503 Health on H.B. No. 628

The purpose of this bill is to statutorily establish and fund a Statewide Committee on HIV/AIDS in Hawaii.

The Department of Human Services, the Governor's Committee on HIV/AIDS, the Life Foundation, the AIDS Community Care Team, Malama Pono, the People with AIDS Coalition Hawaii, the Hemophilia Foundation of Hawaii, the Office of Hawaiian Affairs, the Maui AIDS Foundation, and an individual submitted testimony in support of this measure. The Department of Health submitted testimony in opposition of this measure.

Your Committee believes that the establishment of a Statewide Committee on HIV/AIDS will play a critical role in addressing the prevention, treatment, diagnosis, education, and legal issues related to HIV/AIDS through a collaborative, systematic effort. It will provide expert guidance related to the development of appropriate and humane state policy in response to the AIDS epidemic in Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 628 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 504 Health on H.B. No. 387

The purpose of this bill is to add nursing to the definition of "professional service" in the Professional Corporation Law to allow professional nurse corporations to be organized for the purpose of rendering professional services.

The Hawaii Nurses' Association submitted testimony in support of this bill.

Your Committee finds that the Professional Corporations Act allows professionals to incorporate, but prohibits nonprofessionals from holding shares or leadership on the professional corporation's board of directors. The current trend in health care is to provide care in organized community settings, and the amendment to the Professional Corporations Act proposed in this bill will help registered nurses to address the health care needs of Hawaii's people.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 387 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 505 Health on H.B. No. 167

The purpose of this bill is to increase public awareness of the consequences of brain injury by establishing a Traumatic Brain Injury Advisory Board (Advisory Board) within the Department of Health to develop and implement a comprehensive plan by encouraging public/private partnerships and private sector responses.

Your Committee received supportive testimony from the Hawaii Nurses' Association, the Newman Center Holy Spirit Parish, the Pacific Brain Injury Association, the Hawaii Medical Association, the Rehabilitation Hospital of the Pacific, and numerous concerned individuals. The Department of Health and the Commission on Persons with Disabilities submitted comments.

Your Committee recognizes that traumatic brain injuries are grossly unrecognized and unserved in the scope of services for persons with disabilities. Testimony indicated that prevention measures such as prohibiting passengers to sit in the beds of pick-up trucks and requiring motorcycle riders to wear helmets will result in a decreased prevalence of traumatic brain injury.

Your Committee has amended this measure by:

- (1) Authorizing the Director of Health to appoint the chairperson and members to serve on the Advisory Board, of which:
 - (A) Two members shall be survivors of traumatic brain injury; and
 - (B) One member shall represent trauma centers that provide services for brain-injured persons;
- (2) Specifying that the Department of Health will be the expending agency for the purposes of this Act; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 167, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 167, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stegmaier.

SCRep. 506 Agriculture on H.B. No. 284

The purpose of this bill is to initiate research on the agronomic characteristics of growing industrial cannabis hemp.

Supporting testimony was received from Loulen Hawaii Sportswear, Inc., Stein & Lubin LLP Attorneys at Law, and several individuals.

Your Committee received testimony in opposition to the bill from the Department of Agriculture (DOA); the Department of Business, Economic Development, and Tourism (DBEDT); the Department of the Attorney General; the Department of Public Safety; the Honolulu Police Department; and the Hawaii Agriculture Research Center.

Throughout its deliberations, your Committee remained cognizant of the legal concerns regarding the distinction between the terms "marijuana" and "hemp." Under state law, marijuana is defined as "all parts of the plant (genus) cannabis whether growing or not" Your Committee is aware that currently, under federal and state law, any cannabis plant with a tetrahydrocannabinol level over zero percent is considered marijuana, a hallucinogenic Schedule I controlled substance. (Tetrahydrocannabinol is the main psychoactive ingredient in marijuana). Therefore, given this definition, hemp would be considered marijuana and would be prohibited under federal law.

Given these major concerns, your Committee is especially mindful that before any efforts to research the cultivation of industrial cannabis hemp can be initiated, these legal concerns must be resolved. Furthermore, it is the strong belief of your Committee that any efforts to research the cultivation of industrial cannabis hemp must be conducted under carefully controlled and strict monitoring guidelines to remove any chance for abusing the plant for illegal purposes and to protect the health and safety interests of the people of the State.

However, despite these overriding legal concerns, as the Committee on Agriculture, your Committee recognizes the potential of industrial cannabis hemp as a possible, viable alternative crop in the State. Furthermore, due to the downsizing of what was once Hawaii's primary industries, sugar and pineapple, your Committee believes that it is necessary to investigate and research alternatives to these crops, as well as help to promote and support new agricultural ventures that have the potential of opening new doors for agricultural and economic opportunities for the State.

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

- (1) Changing the name of the Act cited in the bill to the "Hemp Research Act" to more accurately reflect the intent of the bill;
- (2) Changing the name of the "Hawaii Hemp Regulation Committee" to the "Hawaii Hemp Research Regulation Committee" to more accurately reflect the responsibilities of the committee;
- (3) Requiring that any:
 - (a) Agronomic research conducted on the growing of hemp by the University of Hawaii;
 - (b) Expenses incurred by the Hawaii Hemp Research Regulation Committee; and
 - (c) Research on existing and potential markets for hemp and hemp seeds by DOA and DBEDT; be dependent on the provision or receipt of gifts, donations, and grants from private sources;
- (4) Repealing amendments to the definition of "marijuana" under the Uniform Controlled Substances Act and the Penal Code;
- (5) Deleting the section that the bill is to have precedence in the event of a conflict between the bill and any other law;
- (6) Deleting the appropriation from the bill;
- (7) Creating the Hawaii Hemp Special Fund into which gifts, donations, and grants from private sources are to be deposited; and
- (8) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 284, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 284, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative McDermott.

SCRep. 507 Agriculture on H.B. No. 1086

The purpose of this bill is to create an Agricultural Back-to-Work Program (Program) to be administered by the Department of Agriculture.

The Department of Agriculture submitted testimony opposing this bill. A board member of the Maui Farm Bureau submitted comments on this bill. The Hawaii Farm Bureau Federation presented oral testimony questioning how the Program will operate.

Your Committee finds that given the welfare reform proposals mandated by the federal government, programs to help employ Hawaii residents is greatly needed. Based upon the testimony presented, your Committee has made several amendments to this bill. Your Committee believes that this bill proposes a viable option to help the unemployed and economically disadvantaged residents of the State.

Your Committee has amended this bill by:

- (1) Amending the findings and purpose section of the bill to conform to the modified proposal addressed by the amendments herein;
- (2) Deleting the proposal to place the Agricultural Back-to-Work Program in the Agricultural Park Program;
- (3) Creating a new chapter in the Hawaii Revised Statutes to establish the Agricultural Back-to-Work Program;
- (4) Assigning responsibilities to the Department of Labor and Industrial Relations to assist the Department of Agriculture with referral and training of Program participants;

- (5) Requiring the Department of Agriculture to encourage the cultivation of crops not widely grown in Hawaii to avoid competition with existing farmers;
- (6) Appropriating the sum of \$1 to facilitate further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1086, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1086, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

SCRep. 508 Agriculture on H.B. No. 2244

The purpose of this bill is to include under agricultural districts, composting and similar activities that produce products, such as soil amendments that are used for agricultural purposes.

Your Committee received supporting testimony from the Department of Agriculture, the Department of Land Utilization of the City and County of Honolulu, and the Hawaii Farm Bureau. An individual submitted testimony in opposition to the bill.

Your Committee believes that allowing composting and similar activities in agricultural districts will result in economic and environmental benefits to the State.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2244 and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representative McDermott.

SCRep. 509 Water and Land Use on H.B. No. 1755

The purpose of this bill is to allow certain dispositions of public lands by any State department or agency to occur without the prior approval of the Board of Land and Natural Resources (BLNR).

Section 171-11, Hawaii Revised Statutes (HRS), requires State governmental entities to obtain BLNR approval, prior to the disposition of public lands which are set aside under the Governor's executive orders for public uses or purposes.

Your Committee believes that the intent of this bill is to remove the administrative burden of seeking BLNR approval for certain land agreements of the Department of Transportation (DOT), which will allow the DOT to timely respond on delinquent accounts.

The BLNR submitted testimony in support of the bill with recommended amendments, in order to limit the language of the bill to meet its intended purpose.

Testimony in opposition to the bill was received from the Democratic Party of Hawaii, Sierra Club, and Hawaii's Thousand Friends.

Upon further consideration, your Committee has amended this bill to provide that certain dispositions of public lands by the DOT are not subject to prior BLNR approval, where the notice provisions contained in HRS sections 171-20 and 171-21 are met.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1755, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1755, HD 1, and be referred to the Committee on Finance.

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

SCRep. 510 Water and Land Use and Energy and Environmental Protection on H.B. No. 1370

The purpose of this bill is to ensure that the harvesting of trees on public lands follow wise management practices by requiring that:

- (1) The harvesting be done in accordance with an approved management plan and consistent with the provisions regarding the conservation of natural resources and environmental impact statements; and
- (2) The harvesting of native trees utilize existing fire prevention and management programs and ensure the utilization of silvicultural practices that encourage native biodiversity and ecosystem processes.

This bill also requires that proceeds from the sale of tree seedlings from state nurseries be deposited into the general fund.

Although it supported the bill's intent, the Department of Land and Natural Resources (DLNR) recommended that the bill be amended to require that:

- (1) Proceeds accruing from any forest reserve, products, or the sale of tree seedlings from state nurseries be deposited into the Special Land and Development Fund (Fund) for:
 - (A) Enhancing the management of public forest reserves;
 - (B) Establishing demonstration forest areas; and
 - (C) Developing environmental education materials pertaining to sustainable forestry;
- (2) Moneys be appropriated from the Fund to carry out the purposes of this bill.

The Hawaii Audubon Society supported this bill, and representatives from Kauai Nursery and Landscaping, Inc. and the Hawaii Forest Industry Association offered comments. The Sierra Club, Hawaii Chapter opposed this bill, because it could not support logging in state-owned native koa ecosystems.

Upon further consideration, your Committees concur with DLNR's recommendations and has amended this bill by re-directing proceeds accruing from any forest reserve, product, or the sale of tree seedlings from state nurseries to the Fund instead of the general fund. Proceeds would be used for the three purposes recommended by DLNR. The sum of \$1 is appropriated from the Fund.

Finally, your Committees believe that the safeguards included in this bill are adequate and represent a good start in protecting the native forests. If actual harvesting practices indicate that additional safeguards are necessary, your Committees are more than prepared to provide for them.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1370, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1370, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Goodenow, Kanoho, Morihara and Tarnas.
(Representative Thielen voted no.)

SCRep. 511 Water and Land Use on H.B. No. 1753

The purpose of this bill is to:

- (1) Expand historic preservation efforts by requiring that revenues generated by historic preserve user fees, historic preserve leases or concession fees, and the sale of goods be deposited into the Hawaii Historic Preservation Special Fund (Fund); and
- (2) Authorize the Department of Land and Natural Resources (DLNR) to expend moneys from this Fund to replenish goods and produce public information materials.

The DLNR testified that this bill will provide needed resources to supplement historic preservation activities. It will also provide greater flexibility in using moneys from the Fund. Specifically, it will support private-public partnerships to produce public information materials relating to historic preservation.

Your Committee has amended this bill by:

- (1) Requiring DLNR's Historic Preservation Division to include in its annual report an accounting of all income, expenditures, and the fund balance of the Fund; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1753, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1753, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morihara.

SCRep. 512 Hawaiian Affairs on H.B. No. 1036

The purpose of this bill is to authorize the issuance of Hawaiian Home lands revenue bonds for Hawaiian Home lands capital improvement projects.

The Department of Hawaiian Home Lands submitted testimony in support of this measure. The Department of Budget and Finance supports the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1036, HD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 513 Hawaiian Affairs on H.B. No. 1688

The purpose of this bill is to authorize the King Kamehameha Celebration Commission (Commission) to appoint and dismiss staff whose salaries are provided through fees and private contributions.

Commenting on the bill, the Department of Accounting and General Services testified that current staff positions for the Commission have been established for a period of only one year. This bill will ensure continuing support to the Commission in subsequent years.

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

- (1) Properly referring to the Royal Order of Kamehameha I;
- (2) Properly referring to the Association of Hawaiian Civic Clubs;
- (3) Allowing public contributions to be used to pay for staff salaries; and
- (4) Allowing private donations, rather than private contributions, to be used to pay for staff salaries.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1688, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1688, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 514 Judiciary on H.B. No. 1632

The purpose of this bill is to:

- (1) Compensate state residents who are victims of terroristic acts;
- (2) Provide for state residents to receive compensation if not fully compensated by the state in which a crime occurred; and
- (3) Disallow claims made by convicted persons who are injured or killed while incarcerated in a correctional facility.

The Criminal Injuries Compensation Commission and The Sex Abuse Treatment Center testified in support of this bill.

Your Committee finds that the amendments regarding terroristic acts are necessary to ensure compliance with the requirements of a federal grant from the Office of Victims of Crime which is the source of approximately 40 percent of the amounts paid out by the State.

Your Committee further finds that by amending the current definition of "victim", state residents who are victims of crime in another state would be allowed to receive compensation for unreimbursed expenses because of lesser benefits received. Also, the limitation on eligibility of prison inmates is appropriate because costs incurred by inmates are assumed by the department of Public Safety and Civil remedies are available to an inmate if additional compensation is desired.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1632 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, Hiraki and Menor.

SCRep. 515 Judiciary on H.B. No. 956

The purpose of this bill is to make an appropriation for special prosecution units and victim witness programs for the counties of Maui, Kauai, Hawaii, and the City and County of Honolulu.

The Department of the Prosecuting Attorney for the City and County of Honolulu, the office of the Prosecuting Attorney of the County of Hawaii, the Department of the Prosecuting Attorney of the County of Maui, the Victim Witness Assistance Program of the Office of the Prosecuting Attorney of the County of Hawaii, and a member of the Maui County Council testified in support of the measure.

Your Committee finds that victims are usually the key witnesses in a case and that without their testimony, criminals may not be convicted and could remain free to injure others in the community. As such, your Committee finds that special prosecution units and witness assistance programs are invaluable in protecting public safety and the rights of victims in the state.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 956, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hiraki and Menor.

SCRep. 516 Judiciary on H.B. No. 140

The purpose of this bill is to clarify campaign spending and contribution laws.

Your Committee received testimony from the Executive Director of the State of Hawaii Campaign Spending Commission, the Democratic Party of Hawaii and Common Cause Hawaii in support of the bill.

The primary problem addressed by the bill is the proliferation of loans made to candidates in amounts far exceeding campaign contribution limits which remain unpaid and unresolved under current law.

Your Committee finds that the issue of outstanding loans seriously jeopardizes the public's trust in campaign spending laws and the integrity of the election process. Your Committee also finds that legitimate loans equalize the resources of candidates and provide an opportunity for many to participate in the electoral process.

Your Committee believes that the language set forth in the bill providing that a loan not from a candidate is deemed to be a contribution on the final day of the election period for which the loan was received is too limiting. It does not recognize the distinction between legitimate loans and campaign contributions. In this regard, loans in excess of campaign spending limits may be essential in the early phases of a campaign to fund start up cost, provide initial advertising funds or simply cover short falls in campaign fundraising. Legitimate loans by their very nature are subject to timely repayment and the candidate must be ultimately responsible for repaying any and all loans received and accepted.

Your Committee believes that provision for legitimate loans must be preserved and has amended the bill by:

- (1) Deleting all references of a loan being deemed a contribution;
- (2) Providing that if any loan is not repaid within five years, the candidate accepting the loan is prohibited from accepting any other loans, and all subsequent contributions received and any surplus retained shall only be expended towards the repayment of the outstanding loan, until the loan is repaid in full;
- (3) Inserting new language in section 11-193 Hawaii Revised Statutes (HRS) regarding the adoption of advisory opinions which is patterned after the practice of the Ethics Commission;
- (4) Deleting new language in section 11-217 HRS concerning appropriations for the administration of the public funding program of the Hawaii election campaign fund as being unnecessary; and
- (5) Deleting the new word "services" from the definition of Contribution as being unnecessary;
- (6) Incorporating housekeeping amendments suggested by the testimony of the executive director of the campaign spending commission; and
- (7) Making technical nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 140, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Menor.

SCRep. 517 Judiciary on H.B. No. 1582

The purpose of this bill is to appropriate funds to satisfy claims for legislative relief for claims against the State or its officers or employees for, judgments, settlements, and miscellaneous claims.

The Attorney General testified in support of this bill and requested the addition of six additional claims. With the additional claims, this bill would appropriate \$1,777,683.67.

Your Committee has amended this bill by adding the six additional claims requested by the Attorney General.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1582, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Jones, Menor and Yoshinaga.

SCRep. 518 Labor and Public Employment on H.B. No. 1471

The purpose of this bill, as received by your Committee, was to raise the state minimum wage to \$5.75 an hour beginning January 1, 1998, and \$6.15 an hour beginning January 1, 1999.

Supportive testimony was received from the National Association of Social Workers, a member of the Welfare Concerns Committee, the Lokahi Coalition, the International Longshoremen and Warehousemen's Union, Local 142, the Democratic Party of Hawaii, the American Friends Service Committee, the Hawaii State AFL-CIO, and several individuals. Comments were received from the Department of Labor and Industrial Relations, Bamboo Restaurant and Gallery, Retail Merchants of Hawaii, the Department of Business, Economic Development, and Tourism, and private individuals. Testimony in opposition to this measure was submitted by the Hawaii Business League, the National

Federation of Independent Business, the Chamber of Commerce of Hawaii, the Libertarian Party, Liberty House, and the Hawaii Restaurant Association.

Your Committee recognizes the need to maintain a quality of life for workers in Hawaii by providing them with a decent wage standard. In addition to raising the minimum wage, your Committee notes that measures directed at reducing the tax load of low-income workers may also improve the standard of living for workers. Further, your Committee is aware that the federal government recently approved a two-tiered raise in the minimum wage. Since Hawaii's cost of living is significantly higher than most other states, your Committee believes that Hawaii's minimum wage workers also need a raise.

However, in response to concerns raised by the restaurant industry, your Committee has determined that the minimum wage for tipped employees should remain at \$5.05 an hour so long as the employee receives at least \$0.70 an hour in tips in 1999 and \$1.10 an hour in tips in 2000.

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

- (1) Raising the minimum wage to \$5.75 an hour beginning January 1, 1999, and \$6.15 an hour beginning January 1, 2000, for nontipped employees;
- (2) Providing that, beginning January 1, 1999, if the employee receives at least \$6.75 an hour (\$5.05 tipped employee minimum wage plus \$0.70 tip credit and the \$1.00 "threshold") then the employer's wage payment is \$5.05 an hour; if not then the employer is required to pay the standard minimum wage of \$5.75 an hour;
- (3) Providing that, beginning January 1, 2000, if the employee receives at least \$7.15 an hour (\$5.05 tipped employee minimum wage plus \$1.10 tip credit and the \$1.00 "threshold") then the employer's wage payment is \$5.05 an hour; if not then the employer is required to pay the standard minimum wage of \$6.15 an hour; 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 Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1471, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1471, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Takumi and Marumoto.

SCRep. 519 Labor and Public Employment on H.B. No. 1811

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

- (1) Change the composition of the Employees' Retirement System Board of Trustees (Board) from eight to nine members by adding another public citizen to the Board;
- (2) Clarify the terms of the elected trustees; and
- (3) Make certain technical, nonsubstantive revisions to reflect that a retirant is a "beneficiary", not a "member" of the Employees' Retirement System (ERS) under section 88-21, Hawaii Revised Statutes.

Testimony in support of this measure was received from the Department of Budget and Finance. The ERS submitted testimony indicating it supported the provisions clarifying the terms of the elected trustees and the status of retirants. The Hawaii Government Employees Association opposed the proposed change in the composition of the Board.

Your Committee has amended this bill to eliminate the provisions of the bill which would add another public citizen trustee to the Board.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1811, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1811, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 520 Labor and Public Employment on H.B. No. 1706

The purpose of this bill is to eliminate the collection of a 0.05 percent assessment on taxable wages paid by most businesses in the State for the Employment and Training Fund (Fund) while retaining the integrity of the Employment and Training Fund Program (ETF Program).

Testimony in support of this bill was received from the National Federation of Independent Business and the Hawaii Business League. Comments submitted by the Department of Labor and Industrial Relations and the Department of Business, Economic Development, and Tourism, indicated support for an eighteen-month moratorium on collection of the assessment for the Fund.

Established in 1991, the ETF Program has assisted both employers and employees to prepare for the impact of economic, technological, and demographic changes by implementing statewide work training programs in linkage with economic initiatives. However, given Hawaii's current economic downturn and the \$8 million Fund balance, your

Committee finds that a temporary moratorium in the collection of the assessment for the Fund is warranted to offer businesses some tax relief as the Fund presently has sufficient monies to carry on the ETF Program.

Accordingly, your Committee has adopted the recommendation of the DLIR and DBEDT and amended this bill to impose an eighteen-month moratorium on the collection of the 0.05 percent assessment for the Fund, during the period of July 1, 1997, through December 31, 1998.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1706, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1706, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakasone, Case, Takumi and Moses.

SCRep. 521 Labor and Public Employment on H.B. No. 1709

The purpose of this bill is to enable the Hawaii Teachers Standards Board (Board), through the Department of Education, to collect licensing or credentialing fees by mandatory payroll deductions.

The Department of Education, the Board, and the Hawaii State Teachers Association submitted testimony strongly supporting this bill.

Your Committee finds that this bill will improve the Board's ability to provide for its operations and to project a consistent revenue base from which to plan and budget.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1709 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakasone, Case, Takumi and Moses.

SCRep. 522 Labor and Public Employment on H.B. No. 1670

The purpose of this bill is to require the Chairperson and members of the Board of Land and Natural Resources and the employees of the Department of Land and Natural Resources (DLNR), whose primary duties relate to wildlife activities and animal control activities to successfully complete the Hawaii Hunter Education Program.

DLNR submitted testimony in support of this bill.

Your Committee finds that the purpose of this bill complements DLNR's goal of sustaining the State's environmental and natural resources.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1670, HD 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakasone, Case, Takumi and Moses.

SCRep. 523 Labor and Public Employment on H.B. No. 1809

The purpose of this bill is to:

- (1) Permit the use of rate credits and reimbursements from insurance carriers and interest derived therefrom to stabilize future health benefit plan costs and for other expenditures authorized through legislative appropriation; and
- (2) Return excess rate credits and reimbursements from insurance carriers and interest derived therefrom to the general fund if derived from a health benefit plan for employees based on the portion financed by the State or a county on behalf of the employee.

The Department of Budget and Finance submitted testimony in support of this bill. The administrator of the Hawaii Public Employees Health Fund informed your Committee that he will communicate the Board of Trustees' position on this bill. The Hawaii State Teachers Association submitted testimony in opposition to this bill.

Because there were unanswered questions during the hearing held on this bill, your Committee has reservations about this bill. Your Committee has approved this bill in its unamended form to facilitate further discussion, given this bill's potential to ensure that employee premium contributions are used for Health Fund related purposes and will allow for better financial planning and reduce major fluctuations in premium rates charged by insurance carriers.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1809 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.
(Representative Moses voted no.)