

CONFERENCE COMMITTEE REPORTS**Conf. Com. Rep. 1 on S.B. No. 1285**

The purpose of this bill is to improve consistency in the way that government agencies provide public notice and to reduce cost by allowing competition.

Your Committee finds that current laws do not recognize alternative methods or publications for disseminating public notice other than the daily newspaper. Other methods, which include but are not limited to alternative print media and electronic media, may be more efficient and cost-effective to a government agency.

Your Committee notes that government watchdog groups have asked for more uniformity and consistency in the method and placement of public notices.

Your Committee amended the bill to conform to 1997 legislation. Specifically, the following Hawaii Revised Statutes, and Session Laws were added:

- (1) Section 157-33(a);
- (2) Section 201G-73;
- (3) Section 201G-76;
- (4) Section 323D-44.5;
- (5) Section 431:3-203.5; and
- (6) Act 82, Session Laws of Hawaii 1975, as amended by Act 137, Session Laws of Hawaii 1997.

Your Committee also amended the bill by:

- (1) Renumbering section 201E-223(b) to 201G-103(b);
- (2) Amending the effective date of the bill;
- (3) Deleting sections 340E-6(b), 356-29(b), 360-13, and 360-16 which were either repealed or were no longer applicable;
- (4) Replacing the specific reference to sections 103D-302 and 103D-303 with more general references to chapters 103D and 103F;
- (5) Making conforming language changes; and
- (6) Making technical, nonsubstantive amendments for the purpose of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1285, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1285, S.D. 1, H.D. 2, C.D. 1.

Representatives Say, Tom, White, Yamane and Marumoto.
Managers on the part of the House.

Senators Baker, Fukunaga, D. Ige, Metcalf and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 2 on S.B. No. 2770

The purpose of this bill is to improve the Department of Agriculture's (DOA) regulation of measurement standards by:

- (1) Adding a new definition for the word "retail";
- (2) Reclassifying certain acts prohibited under Chapter 486, Hawaii Revised Statutes, from civil penalties to criminal, petty misdemeanors;
- (3) Authorizing the DOA to license service agencies to conduct routine tests of measuring devices; and
- (4) Making housekeeping amendments to reflect the renaming of the Division of Measurement Standards to the Measurement Standards Branch.

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

- (1) Deleting the amendments to Section 486-32, Hawaii Revised Statutes, which reclassified certain prohibited acts civil penalties to criminal, petty misdemeanors; and
- (2) Requiring that the price for consumer commodities offered for sale at retail be identical to the price displayed unless a prior agreement between buyer and seller was reached, or the price charged is lower than the price displayed.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2770, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2770, S.D. 2, H.D. 2, C.D. 1.

Representatives Jones, Menor, Tom, Abinsay and Halford.
Managers on the part of the House.

Senators Taniguchi, Metcalf, Chumbley and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 3 on S.B. No. 2135

The purpose of this bill is to repeal the sunset dates in Act 174, Session Laws of Hawaii 1995, pertaining to activity providers and activity desks.

Your Committee on Conference notes that the differences between the Senate and House versions of the bill are technical in nature and do not affect the substance of the bill.

Therefore, your Committee on Conference has amended the bill by reverting to the last Senate draft of the bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2135, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2135, S.D. 1, H.D. 1, C.D. 1.

Representatives Menor, Cachola, Lee, Saiki and Aiona.
Managers on the part of the House.

Senators D. Ige, Metcalf and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 4 on S.B. No. 2575

The purpose of this bill is to establish a means of providing oversight and public input whenever a nonprofit corporation decides to convert to a for-profit corporation.

Your Committee on Conference notes that the differences between the Senate and House versions of the bill are technical in nature and do not affect the substance of the bill.

Your Committee on Conference agreed to the House version with two additional technical, nonsubstantive corrections.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2575, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2575, S.D. 1, H.D. 1, C.D. 1.

Representatives Menor, Cachola, Lee, Yoshinaga and Whalen.
Managers on the part of the House.

Senators D. Ige, Metcalf and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 5 on S.B. No. 2833

The purpose of this bill is to require retail lessors to disclose to motor vehicle lessees, their right to receive a copy of the lease calculation worksheet or any document reviewed during the lease transaction before or within six months of signing the lease agreement.

Your Committee on Conference notes that the differences between the Senate and House versions of the bill are technical in nature and do not affect the substance of the bill.

However, your Committee on Conference finds that the Senate version reflects the specific language agreed upon by the Department of Commerce and Consumer Affairs (DCCA) and auto leasing industry representatives during the 1997 legislative session. This language was inadvertently omitted from the bill that revised the auto leasing statute.

Your Committee on Conference further finds that once the parties became aware of the omission, General Motors Acceptance Corporation (GMAC), as an accommodation to the DCCA, and with the understanding that the DCCA intended to include the omitted language in a bill in the 1998 legislative session, voluntarily included the proposed language in its Hawaii contracts.

Your Committee on Conference believes that the grammatical differences do not warrant burdening GMAC with the significant costs of reprinting their forms.

Accordingly, your Committee on Conference has agreed to revert to the original Senate version of the bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2833, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2833, H.D. 1, C.D. 1.

Representatives Menor, Garcia, Lee, Saiki and Aiona.
Managers on the part of the House.

Senators D. Ige, Metcalf and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 6 on S.B. No. 3114

The purpose of this bill is to require projects funded from the rental housing trust fund (RHTF) to allocate ten per cent of available units and one-third of RHTF funds to be used for persons and families with incomes at or below thirty per cent of the median income.

Your Committee believes that aligning the State's priorities with the demonstrated need to provide housing for needy households is an important objective of the Legislature. Your Committee has amended this bill by making technical, nonsubstantive changes for grammar, clarity, and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3114, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3114, S.D. 2, H.D. 2, C.D. 1.

Representatives Arakaki, Kawakami, Abinsay, Santiago and McDermott.
Managers on the part of the House.

Senators M. Ige, Bunda, Fukunaga, Baker, Chun Oakland, Kawamoto and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 7 on S.B. No. 3035

The purpose of this bill is to make housekeeping amendments to clarify the law establishing the Housing and Community Development Corporation.

Act 350, Session Laws of Hawaii 1997, consolidated various housing programs, including those under the Hawaii Housing Authority, into the Housing and Community Development Corporation. This bill makes housekeeping amendments which include the repeal of remaining parts of Chapter 359, Hawaii Revised Statutes, which are obsolete, and other technical, nonsubstantive changes to Act 350 provisions. Additionally, the bill clarifies that the Housing and Community Development Corporation is subject to the rates and fees approved by the various boards of water supply.

Your Committee on Conference notes that the differences between the Senate and the House versions of the bill are technical in nature and do not affect the substance of the measure.

Upon further consideration, your Committee has amended this bill by using the Senate Draft 2 and by including certain technical amendments proposed in the House version of the bill.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3035, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3035, S.D. 2, H.D. 2, C.D. 1.

Representatives Arakaki, Kawakami, Goodenow, Kahikina and McDermott.
Managers on the part of the House.

Senators Bunda, M. Ige, Fukunaga, Baker, Chun Oakland, McCartney and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 8 on S.B. No. 1597

The purpose of this bill is to allow the Board of Land and Natural Resources to impose administrative fines and recover administrative fees and costs resulting from violations of the aquatic resources law.

Your Committee upon further consideration has amended the measure by deleting the provisions relating to the taking, breaking, or damaging of rock or coral.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1597, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1597, S.D. 1, H.D. 2, C.D. 1.

Representatives Tarnas, Tom, Goodenow, Jones and Pendleton.
Managers on the part of the House.

Senators Taniguchi, Solomon, Chumbley, McCartney and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 9 on S.B. No. 2655

The purpose of this bill is to establish procedures for transferring the registration of a bicycle or moped for a fee of \$5. The bill also requires a \$10 permanent registration fee for a bicycle or moped, and a \$5 charge for a duplicate certificate of registration.

Your Committee finds that this bill clarifies procedures for registering and transferring a registration certificate of a bicycle or moped.

Your Committee has amended this bill by changing the permanent registration fee for a bicycle or moped from \$10 to \$15.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2655, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2655, S.D. 1, H.D. 1, C.D. 1.

Representatives Hiraki, Tom, Takumi, Yoshinaga and Thielen.
Managers on the part of the House.

Senators Sakamoto, Kawamoto and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 10 on S.B. No. 3137

The purpose of this bill is to require the Public Utilities Commission (PUC), after granting temporary operating authority to a common carrier or a contract carrier, and upon receiving an application for a certificate of public convenience and necessity or a permit seeking permanent authority, to hold a hearing not later than the last day of the expiration date of the temporary authority.

Your Committee on Conference notes that the legislative intent in both the Senate version and the House version of the bill are similar although the language in the bills differ.

Your Committee on Conference amended the bill by:

(1) Reverting to the Senate Draft 1, which clarifies that the required PUC hearing must take place not later than one-hundred-twenty days after the issuance date of temporary authority; and

(2) Making other technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3137, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3137, S.D. 1, H.D. 2, C.D. 1.

Representatives Hiraki, Menor, Tom, Takumi and Moses.
Managers on the part of the House.

Senators D. Ige, Metcalf and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 11 on S.B. No. 2559

The purpose of this bill is to improve the regulation of explosives and to eliminate the duplication of services by relieving the Department of Labor and Industrial Relations of the responsibility for regulating the manufacture, storage, and transport of explosives. It also enables the Department of Labor and Industrial Relations to continue the certification program for the use of explosives, and exempts state and county police and fire departments from regulation.

Your Committee notes that it is the Committee's intent to have adequate funding placed in the Supplemental Appropriations Act so that the Department of Labor and Industrial Relations will have the necessary funds to administer the permit process for explosives.

Your Committee has amended this bill by clarifying the definition of "dealer" to mean any person, corporation, partnership, association, association of dealers, or other form of business enterprise engaged in the business of buying and selling explosives.

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2559, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2559, S.D. 2, H.D. 1, C.D. 1.

Representatives Yonamine, Nakasone, Suzuki and Moses.
Managers on the part of the House.

Senators Sakamoto, Kawamoto, Chun Oakland, Kanno, Baker and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 12 on S.B. No. 2136

The purpose of this bill is to allow the counties the option to establish a Liquor Control Adjudication Board which has the jurisdiction to hear and determine complaints or violations of state liquor laws and county liquor rules to impose penalties. It also requires the Liquor Commission or the Liquor Control Adjudication Board to report to the Prosecutor a license revocation or suspension for a law violation. In addition, it allows service of an order or notice to be served upon any partner, officer, director, trustee, authorized agent, or representative of a partnership, corporation, or unincorporated association.

Your Committee finds that the counties of Hawaii and Maui have established by county charter Liquor Control Adjudication Boards to handle complaints and impose penalties when violations of state liquor laws or county liquor rules are determined. Kauai County and the City and County of Honolulu operate with just their respective Liquor Commissions. The addition of a Liquor Control Adjudication Board provides an opportunity for a county to have a separate appeals body.

Your Committee has amended this bill by:

(1) Requiring the Liquor Commission or the Administrator to report the facts of violations relating to the revocation or suspension of any license to the prosecuting officer for prosecution;

(2) Deleting references to "director, trustee, authorized agent, or representative", as officials who can be served any order or notice of violation; and

(3) Adding a reference to the Liquor Control Adjudication Board as an alternative to the Liquor Commission where appropriate.

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2136, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2136, S.D. 1, H.D. 1, C.D. 1.

Representatives Menor, Tom, Cachola, Yamane and Pendleton.
Managers on the part of the House.

Senators Sakamoto, Kawamoto, Chumbley, Matsunaga, Ihara, Kanno and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 13 on S.B. No. 1065

The purpose of this bill is to streamline existing law that establishes election offenses and penalties by repealing unnecessary and redundant provisions and moving the civil penalty provision regarding employees entitled to leave on election day to section 11-95, Hawaii Revised Statutes (HRS).

Your Committee finds that this measure will consolidate various penalties presently applicable to violations of the law regarding employee entitlement to leave on election day for voting purposes. Your Committee further agrees that any criminal sanctions should be repealed, and that any penalties for violations should be limited to the assessment of civil fines.

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

(1) Deleting the provision imposing a fine upon the employee who leaves the employee's workplace without the intention to vote;

(2) Inserting a section to repeal section 19-7, HRS; and

(2) Making technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1065, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1065, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Case, Hiraki, Yamane and Thielen.
Managers on the part of the House.

Senators Chumbley, Matsunaga, Ihara and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 14 on S.B. No. 3113

The purpose of this bill is to permit the apartment owners of a condominium to vote to amend the bylaws of the condominium to provide that the composition of the board of directors reflect the proportionate number of apartments for a particular use, as set forth in the declaration. The further purpose of this bill is to restrict commercial and residential apartment owners to cast votes for only commercial or residential seats respectively that are available on the board.

Your Committee finds that current law permits abuse of the board of directors structure and this bill provides the apartment owners with the capability to prevent further abuse. Your Committee has amended this bill by:

(1) Clarifying that no petition to amend the bylaws to modify the composition of the board may be distributed within one year of a prior petition; and

(2) Clarifying that removal and replacement of a member of the board is not precluded by this bill and that any removal and replacement of a member of a board shall not affect the proportionate composition of the board as prescribed in the bylaws.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3113, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3113, S.D. 1, H.D. 1, C.D. 1.

Representatives Menor, Lee, Saiki, Yoshinaga and Aiona.
Managers on the part of the House.

Senators Bunda, M. Ige, Matsunaga and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 15 on S.B. No. 3159

The purpose of this bill is to require leasehold time share interests to be recorded with the Bureau of Conveyances.

Your Committee finds that requiring the recordation of leasehold time share interests with the Bureau of Conveyances rather than Land Court will improve government efficiency with no effect on the owner's rights in the timeshare.

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3159, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3159, S.D. 2, H.D. 1, C.D. 1.

Representatives Menor, Case, Garcia, Lee and Whalen.
Managers on the part of the House.

Senators M. Ige, Bunda, D. Ige, Metcalf, Solomon, Tanaka and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 16 on S.B. No. 2717

The purpose of this bill is to allow district family court judges to commit persons aged eighteen years or older to an adult correctional facility for pre-trial detention, when the person is alleged to have committed an act during the person's minority that would constitute a violation of section 571-11(1).

Your Committee finds that under current law, district family court judges have no authority to order the detention of a person who has reached the age of majority subsequent to being charged with a crime committed as a minor. Your Committee further finds that this measure is a necessary tool to allow the court to detain a person in a pre-trial proceeding who may be a threat to the community and to ensure that the person will appear at trial.

Upon further consideration and agreement, this measure was amended by:

(1) Including clarifying language to allow the district family court judges to issue orders for pre-trial detention;

(2) Including clarifying language to retain jurisdiction in cases where there has been a violation of section 571-11(1), Hawaii Revised Statutes;

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2717, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2717, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Herkes, Yamane, Yoshinaga and Whalen.
Managers on the part of the House.

Senators Matsunaga, Chumbley, Ihara, Sakamoto and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 17 on S.B. No. 2786

The purpose of this bill is to streamline and clarify the registration requirements and public notification provisions of the sex offender registration law.

In particular, the bill:

(1) Requires the sex offender to provide a statement pertaining to mental health treatment and citizenship;

(2) Clarifies the registration requirements and public access as to addresses and vehicle registration requirements;

(3) Clarifies the requirements for updates of significant changes to the registration information;

(4) Imposes the duty to implement the sex offender registration law upon a judge or designee who continues bail for a sex offender, following a guilty verdict or plea of guilty or nolo contendere;

(5) Eliminates the requirement for collection of blood and saliva from chapter 846E and section 353-13.2, Hawaii Revised Statutes, because these provisions duplicate a similar requirement under a separate statutory provision; and

(6) Makes housekeeping amendments.

Your Committee finds that these provisions are necessary to expedite the sex offender registration process and to close existing loopholes.

Your Committee, upon further consideration, has amended the bill to also impose the duty to implement the sex offender registration law upon a judge or designee who "releases" a sex offender, following a guilty verdict or plea of guilty or nolo contendere.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2786, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2786, H.D. 1, C.D. 1.

Representatives Tom, Herkes, Lee, Yamane and Whalen.
Managers on the part of the House.

Senators Matsunaga, Chumbley, McCartney, Sakamoto and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 18 on S.B. No. 2414

The purpose of this bill is to prohibit pawnbrokers from accepting motor vehicles, boats, and homes as pledged goods.

Your Committee on Conference believes legislation is needed to further clarify that taking physical possession of cars or boats, or their paper titles as pawns is prohibited. Your Committee notes that section 445-131, Hawaii Revised Statutes, limits pledged goods to tangible personal property, thereby eliminating houses from being pawned.

Accordingly, your Committee on Conference amended the bill to include the certificate of title, certificate of registration, or negotiable instruments as well as the actual vehicle or vessel, and deleted the reference to homes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2414, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2414, S.D. 1, H.D. 1, C.D. 1.

Representatives Menor, Case, Garcia, Lee and Pendleton.
Managers on the part of the House.

Senators D. Ige, Metcalf and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 19 on S.B. No. 2469

The purpose of this bill is to conform Hawaii's securities laws with the National Securities Markets Improvement Act of 1996 that regulates securities offerings, broker-dealers, investment advisers, investment adviser representatives, and security related issues to enhance investor protection by eliminating the duplicative system of regulation.

Your Committee on Conference recognizes that the Department of Commerce and Consumer Affairs is experiencing a backlog in excess of thirty days for processing applications for the registration of salespersons and investment adviser representatives.

Your Committee on Conference, however, believes there is a high probability that Hawaii investors would suffer substantial financial harm if applications for registration were automatically approved if not processed in thirty days.

Therefore, your Committee on Conference amended the bill by deleting language that makes registration for salespersons and investment adviser representatives effective at noon of the thirtieth day after filing an application if no denial order is in effect and no proceeding is pending. Your Committee also made technical, nonsubstantive changes for clarity and proper drafting style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2469, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2469, S.D. 1, H.D. 1, C.D. 1.

Representatives Menor, Cachola, Herkes and Aiona.
Managers on the part of the House.

Senators D. Ige, Metcalf and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 20 on S.B. No. 2588

The purpose of this bill is to improve licensing requirements for veterinarians by requiring the applicant to certify on the application that the applicant has read, understood, and agrees to comply with the laws and rules that the Board requires for licensure.

Your Committee on Conference amended the bill by specifying the topics to be covered, common to the State, on the state constructed written exam.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2588, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2588, S.D. 1, H.D. 1, C.D. 1.

Representatives Menor, Cachola, Herkes, Lee and Aiona.
Managers on the part of the House.

Senators D. Ige, Metcalf and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 21 on S.B. No. 2602

The purpose of this bill is to improve licensing requirements for professional landscape architects by requiring the applicant to certify on the application that the applicant has read, understood, and agrees to comply with the laws and rules that the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects requires for licensure.

Your Committee on Conference amended the bill by:

- (1) Requiring that the applicant pass the national landscape architect licensing examination;
- (2) Specifying the topics to be covered on the state constructed written examination; and
- (3) Reformatting the self-certification paragraph to section 464-8(d)(6), Hawaii Revised Statutes, so that it applies only to landscape architects.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2602, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2602, S.D. 1, H.D. 1, C.D. 1.

Representatives Menor, Cachola, Herkes, Lee and Aiona.
Managers on the part of the House.

Senators D. Ige, Metcalf and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 22 on S.B. No. 2823

The purpose of this bill is to clarify section 514E-2.6(a), Hawaii Revised Statutes (HRS), which requires the wearing of a time share identification badge by certain persons:

- (1) To include independent contractors and employees of an acquisition agent, sales agent, or resale agent as persons required to wear an identification badge; and
- (2) Require that these additional persons wear their identification badges while off-premises which is defined as in or around a location required to be registered by the Department of Commerce and Consumer Affairs, that is a place other than in the office of a sales agent, on a project site, or within a developer's principal place of business.

Your Committee on Conference amended the bill by reverting to the broader definition of "off-premises" in the Senate Draft 1, which is deemed to be a place other than in the office of a sale agent, on a project site, or within a developer's principal place of business.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2823, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2823, S.D. 1, H.D. 1, C.D. 1.

Representatives Menor, Cachola, Case, Yoshinaga and Pendleton.
Managers on the part of the House.

Senators D. Ige, Metcalf and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 23 on S.B. No. 2411

The purpose of this bill is to clarify the discretion of a judge in motor vehicle insurance violations.

Your Committee on Conference amended the bill by:

- (1) Replacing the word "conviction" with "offense" in the context of motor vehicle insurance violations;

- (2) Deleting the words "within a five-year period" from the driver's license suspension option for the first offense; and
- (3) Adding the words "from a previous offense" to the one year suspension option for any subsequent offense.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2411, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2411, S.D. 2, H.D. 1, C.D. 1.

Representatives Menor, Tom, Herkes, Saiki and Pendleton.
Managers on the part of the House.

Senators D. Ige, Metcalf, Chumbley, Matsunaga, Levin and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 24 on S.B. No. 3043

The purpose of this bill is to provide immunity to persons, including the State, the counties, boards, and government employees, for actions arising out of or based on errors resulting from a government computer system that is not year 2000 compliant.

Your Committee on Conference believes that a comprehensive solution to the year 2000 problem needs to be explored, one that also addresses problems the private sector, in all likelihood, will encounter.

Your Committee on Conference further believes that it is imperative that government and the private sector immediately commence meetings to explore the extent to which a comprehensive solution can be drafted for submittal to the 1999 legislature. These meetings should be conducted in a cooperative spirit that acknowledges the importance of the private sector to government, its citizens, and the overall economy of the State, as well as government's vital role in the delivery of essential services to its citizens.

Your Committee on Conference amended the bill by clarifying that the Department of Accounting and General Service's report is due to the legislature not later than twenty days prior to the convening of the regular session of 1999.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3043, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3043, S.D. 2, H.D. 2, C.D. 1.

Representatives Tom, Say, Ito, Yamane and Whalen.
Managers on the part of the House.

Senators D. Ige, Metcalf, Chumbley, Matsunaga, Baker and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 25 on S.B. No. 2078

The purpose of this measure is to limit the transfer fee of a commercial thrill craft and parasailing activities permit to an amount no greater than twenty per cent of the transfer price, but not to exceed \$50,000. The measure also waives the permit fees for transfers between family members for the purpose of business reorganization.

Your Committee upon further consideration has amended this measure by:

- (1) Lowering the cost of transferring the permits to an amount not greater than six per cent of the transfer price; and
- (2) Increasing the maximum period that a permit may be renewed from ten years to twenty years.

Your Committee has been advised that Act 4, Session Laws of Hawaii 1998, does not provide for periodic review and amendment of the Kaneohe Bay Master Plan by the Kaneohe Bay Regional Council. To remedy this situation your Committee also has amended this measure by:

- (1) Amending section 200D-3, Hawaii Revised Statutes (HRS), to authorize the Kaneohe Bay Regional Council to review and periodically amend the Kaneohe Bay Master Plan as it relates to ocean use activities;
- (2) Conforming sections 200-39 and 200D-1, HRS, to reflect the amendment to Section 200D-3, HRS;
- (3) Requiring that the Kaneohe Bay Regional Council submit an amended Master Plan to the Legislature by December 1999; and
- (4) Prohibiting the Department of Land and Natural Resources from implementing any provision of the Kaneohe Bay Master Plan relating to commercial ocean activities, until rules are adopted.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2078, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2078, S.D. 1, H.D. 3, C.D. 1.

Representatives Cachola, Tarnas, Nakasone, Chang and Ward.
Managers on the part of the House.

Senators Taniguchi, Tanaka, Levin, McCartney and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 26 on S.B. No. 2256

The purpose of this bill is to rename Barbers Point Harbor as Kalaeloa Harbor.

Your Committee finds that combining the traditional Hawaiian name of Kalaeloa, which means "long point", with Barbers Point Harbor best complements the renaming of surplus Navy lands at Barbers Point Naval Air Station to "Kalaeloa Community Development District."

Therefore, your Committee has amended this bill by changing the name of Barbers Point Harbor to "Kalaeloa Barbers Point Harbor" to be effective on January 1, 1999.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2256, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2256, S.D. 1, H.D. 1, C.D. 1.

Representatives Takamine, Hamakawa, Morihara and Thielen.
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Kanno and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 27 on S.B. No. 2759

The purpose of this bill is to establish procedures to require the registered owner of a motor vehicle to pay towing and storage charges on motor vehicles that have been removed by order of a county police department for traffic obstruction or hazard. It also includes procedures to recover towed and stored motor vehicles. If the registered owner or lien holder of a motor vehicle cannot be located the motor vehicle shall be determined to be abandoned, and the owner of the towing company, or an authorized representative may negotiate a sale of the vehicle or dispose of it as junk.

Your Committee has amended this bill by:

(1) Specifying that the telephone number of the county finance department that arranged for or authorized the tow be included on the notice posted in a towing company;

(2) Adding that tow operators may charge additional reasonable amounts for excavating vehicles from off-road locations; and

(3) Clarifying that the receipt to be provided by the towing company to the owner or lien holder of a motor vehicle shall include the telephone number of the county finance department that arranged for or authorized the tow.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2759, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2759, S.D. 2, H.D. 1, C.D. 1.

Representatives Tom, Case, Jones, Yamane and Thielen.
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Baker, McCartney and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 28 on S.B. No. 2957

The purpose of this bill is to make it unlawful for any person to place materials on any utility pole, street-light pole, curbstone, lamp-post, hydrant, bridge, tree, street sign, traffic sign, or traffic light upon any public property in Hawaii, except as otherwise required by ordinances of the county, or by the laws of the State or the United States.

The bill exempts public officers in the performance of a public duty, and a private person giving legal notice except on utility poles. The bill states that if the person responsible for posting materials, or the person sponsoring the event advertised on the posted material, does not remove the material within seventy-two hours of the date of the event advertised on the posted material, the person shall be fined between \$100 to \$200 per posted material, or community service between ten to twenty hours, or both.

Your Committee has amended this bill:

(1) Providing that additional removal of posted material must be done within seventy-two hours of written notice; and

(2) Adding new language stating that additional penalties shall not be imposed unless the person received written notice of the posting, or was responsible for posting materials in violation of section 445-114, Hawaii Revised Statutes, relating to unlawful posting in public places.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2957, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2957, S.D. 2, H.D. 1, C.D. 1.

Representatives Tom, Herkes, Lee, Yamane and Whalen.
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Chumbley, Matsunaga, Ihara and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 29 on S.B. No. 2454

The purpose of this bill is to allow an injured employee under workers' compensation to select a certified provider of rehabilitation services, and to require the certified provider of workers' compensation rehabilitation services or the injured employee receiving those services to give proper notice of selection of the certified provider to the employer.

This bill also:

(1) Clarifies that the purpose of vocational rehabilitation is to restore the injured worker as nearly as possible to the worker's earning capacity at the time of the injury;

(2) Confers discretionary authority on the Director of Labor and Industrial Relations (Director) to:

(A) Refer an injured employee suffering permanent disabilities to vocational rehabilitation; and

(B) Approve a vocational rehabilitation plan and review the progress of each case;

(3) Deletes references to physical rehabilitation in section 386-25, Hawaii Revised Statutes (HRS), relating to vocational rehabilitation; and

(4) Deletes reference that the Director coordinate the implementation of rehabilitation plans.

Your Committee upon further consideration has made the following amendments to S.B. No. 2454, S.D. 1, H.D. 2:

(1) Deleting reference to workers' earning capacity in section 386-25(a), HRS, relating to the purpose of vocational rehabilitation;

(2) Deleting the repeal of language requiring approval by the employee of a proposed rehabilitation plan or program; and

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2454, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2454, S.D. 1, H.D. 2, C.D. 1.

Representatives Yonamine, Nakasone, Suzuki, Takumi and Moses.
Managers on the part of the House.

Senators Kanno, Chun Oakland, Metcalf, Sakamoto and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 30 on S.B. No. 2768

The purpose of this bill is to require the health care provider to mail or deliver to the employer, employer's insurance carrier, or Special Compensation Fund, as applicable, a bill for services within two years of the date of providing the services.

This bill relieves the burdensome administrative processing for verification of bills that are submitted beyond a two-year period after the service is rendered.

Your Committee upon further consideration has made the following amendments to S.B. No. 2768, S.D. 1, H.D. 2:

(1) Clarifying that the billing requirement applies to uncontested claims relating to compensable injuries;

(2) Deleting the provision relating to procedures in cases of difficulty in ascertaining the liable insurer; and

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2768, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2768, S.D. 1, H.D. 2, C.D. 1.

Representatives Yonamine, Menor, Nakasone, Suzuki and Moses.
Managers on the part of the House.

Senators Kanno, Chun Oakland, Fukunaga, Metcalf, Sakamoto and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 31 on S.B. No. 2887

The purpose of this bill is to allow the Department of Labor and Industrial Relations (DLIR) to regulate bungee jumps; define "amusement ride" and "imminent hazard"; exempt coin-operated and kiddie rides from DLIR regulation; allow the DLIR to utilize a qualified inspector for inspection to be done at least annually; require the DLIR to adopt rules for the reporting of accidents, injuries, and death from amusement rides and other mechanisms and equipment under its jurisdiction; allow the DLIR to require proof of adequate insurance; allow the DLIR to prescribe fees for training inspectors; and require the DLIR to have a training program for its inspectors in bungee jumps.

Your Committee finds that bungee jumps are a popular attraction at amusement facilities and carnivals. Your Committee further finds that bungee jumping is an inherently dangerous activity that is currently unregulated. Your Committee believes that this bill is necessary for the protection of the public health and safety.

Your Committee after careful consideration has amended S.B. No. 2887, S.D. 1, H.D. 1, as follows:

(1) Conforming section 397-4, Hawaii Revised Statutes, to Act 2, SLH 1998, to include technical amendments and legal notice requirements as enacted by Act 2;

(2) Requiring the DLIR to conduct inspections at least semi-annually of amusement rides and bungee jumps;

(3) Requiring the DLIR to cease using qualified inspectors for amusement rides and bungee jumps when the DLIR's inspectors have been adequately trained and qualified;

(4) Allowing the DLIR to assess fees for training of inspectors; and

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2887, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2887, S.D. 1, H.D. 1, C.D. 1.

Representatives Menor, Cachola, Lee, Saiki and Aiona.
Managers on the part of the House.

Senators Kanno, Chun Oakland, Fukunaga, Metcalf and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 32 on S.B. No. 3228

The purpose of this bill is to amend chapter 334, Hawaii Revised Statutes, to specify the matters upon which a physician must testify in proceedings for involuntary commitment to a psychiatric facility, and to allow a commitment order to specify involuntary psychoactive medications.

Your Committee finds that this measure will greatly clarify the information required in hearings on petitions for involuntary hospitalization and medication.

Your Committee has amended this measure to further clarify that the order for involuntary medication may specify types or classes of medication, that the person's treating physician shall make all reasonable efforts to solicit the person's compliance prior to involuntary administration of the medication, and that treatment shall be clinically indicated and consistent with accepted medical standards and the court order.

Your Committee hopes that, in addition to this legislation, mental health service providers in the public and private areas will be encouraged to consider petitioning for involuntary out-patient commitment when clinically appropriate and in the best interests of the patient. To support this, your Committee recommends that the Adult Mental Health Division of the Department of Health and the Hawaii Psychiatric Medical Association actively participate in this effort.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3228, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3228, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Jones, Lee, Yamane and Whalen.
Managers on the part of the House.

Senators Levin, Fernandes Salling, Matsunaga, McCartney and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 33 on S.B. No. 3248

The purpose of this bill is to extend the sunset date for issuance of special purpose revenue bonds from June 30, 2000, to June 30, 2003, and to authorize the issuance of special purpose revenue bonds for the Queen's Health Systems to finance the costs of construction of, improvements to, and equipping of hospital facilities and other capital-related projects.

Your Committee on Conference notes that concerns were expressed during conference that the Queen's Health Systems might be requesting this revenue bond authorization in part, to finance facilities or programs that could compete with the public health facilities of the Hawaii Health Systems Corporation. The Queen's Health Systems has stated that it has no

such intentions. Queen's Health Systems intends to use this bond authorization to further the health care mission of the Queen's Health System and its subsidiaries, the primary use being to fund the construction and renovation of facilities at the Queen's Medical Center and Moloka'i General Hospital.

Your Committee on Conference amended this bill by making a technical, nonsubstantive change for style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3248, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3248, S.D. 2, H.D. 2, C.D. 1.

Representatives Santiago, Kawakami, Ahu Isa, Hamakawa and Marumoto.
Managers on the part of the House.

Senators Levin, Fernandes Salling, Baker, Fukunaga, Chun Oakland, Ihara and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 34 on S.B. No. 2580

The purpose of this bill is to make permanent the Hawaii State Student Council (Council) by establishing it statutorily.

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

- (1) Deleting the requirement that representation on the Council be based upon enrollment;
- (2) Deleting the requirement that each departmental school district have at least two representatives; and
- (3) Extending the time in which the evaluation of the annual student conference must be submitted from 45 to 60 days after the conclusion of the conference.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2580, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2580, S.D. 1, H.D. 1, C.D. 1.

Representatives Stegmaier, Morita, Takai, Tarnas and Moses.
Managers on the part of the House.

Senators Tam, Aki, M. Ige, Iwase and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 35 on S.B. No. 2297

The purpose of this bill is to create a new chapter in the Hawaii Revised Statutes which establishes certain rights and protections for participants of managed care plans, and to create a task force to review various patient's rights laws and ensure that consumers of health care under managed care plans in Hawaii are receiving similar or greater protection than those recommended by the November 1997 report prepared by the Advisory Commission on Consumer Protection and Quality in the Health Care Industry.

Your Committee on Conference finds that mutual benefit societies and health maintenance organizations are risk-bearing entities and as such, should be considered as a type of insurer. Your Committee on Conference believes that as insurers, Articles 2 and 13 of Chapter 431, Hawaii Revised Statutes, should apply so that consumers are afforded greater protection through the increased ability of the Insurance Commissioner to investigate complaints and conduct examinations.

Your Committee on Conference notes that managed care plans contemplated by this bill are offered not only to employers, but to other groups and individuals regulated by federal law. Your Committee on Conference wishes to emphasize that this law is a regulation on the "business of insurance" and is not intended to interfere with employer health plans as they operate under federal law.

Your Committee amended this bill by:

- (1) Expanding the definition of "managed care plan" and providing for an exception from the definition for employee benefit plans with respect to provisions which may be superseded or preempted by federal law;
- (2) Adding a new section providing for appeal of managed care plan decisions to a three member panel appointed by the insurance commissioner;
- (3) Deleting the confidentiality of medical information section;
- (4) Adding a new section making all remedies, penalties, and proceedings in Articles 2 and 13 of Chapter 431, HRS applicable to managed care plans enforceable exclusively by the insurance commissioner;
- (5) Deleting the section setting forth consumer responsibilities;
- (6) Adding a new section which amends Section 432:1-102, HRS, by subjecting mutual benefit societies to Articles 2 and 13 of Chapter 431, HRS;

(7) Adding a new section which amends Section 432D-19, HRS, by subjecting health maintenance organizations to Articles 2 and 13 of Chapter 431, HRS;

(8) Removing the requirement that the task force compare the protection afforded under the Act with those enumerated in the November 1997 report prepared by the Advisory Commission on Consumer Protection and Quality in the Health Care Industry;

(9) Removing an organization representing business or employers from the membership of the task force and replacing it with representatives from the Hawaii Coalition for Health and Hawai'i Business Health Coalition;

(10) Adding a severability provision;

(11) Adding a ramseyer provision; and

(12) Making the Act effective upon its approval.

Your Committee also made technical, nonsubstantive changes for the purposes of grammar, clarity, and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2297, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2297, S.D. 2, H.D. 1, C.D. 1.

Representatives Menor, Tom, Lee, Yamane and Aiona.
Managers on the part of the House.

Senators Levin, Fernandes Salling, Chun Oakland, Kanno, D. Ige, Metcalf and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 36 on S.B. No. 2460

The purpose of this bill is to require the approval of the State Health Planning and Development Agency and, if applicable, of the Attorney General for the acquisition of a hospital owned by a nonprofit corporation.

Your Committee finds that the intent of this measure is to safeguard the interests of the community regarding the sale of nonprofit hospitals, by subjecting their acquisition to review and approval by the State.

Your Committee agrees with the intent of this protective measure, but believes it should be extended to cover the acquisition of all hospitals, except those public health facilities under the Hawaii Health Systems Corporation (HHSC). HHSC facilities have been excluded because they are not for sale under any circumstances.

Your Committee has amended this bill accordingly to:

(1) Delete the word "nonprofit" where it refers to a hospital, except where appropriate;

(2) Clarify the intent of the legislation by amending the definition of "hospital" to exempt a public health facility under chapter 323F, HRS;

(3) Conform the public notice requirement to Act 2, Session Laws of Hawaii, 1998;

(4) Add a maintenance of services section to the new part which prohibits a reduction of services without prior notice to the State Health Planning and Development Agency; and

(5) Make technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2460, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2460, S.D. 2, H.D. 2, C.D. 1.

Representatives Santiago, Menor, Tom, Lee and Ward.
Managers on the part of the House.

Senators Levin, Fernandes Salling, Chumbley, Matsunaga and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 37 on S.B. No. 3088

The purpose of this bill is to clarify the rights of employees and the liabilities of employers in regards to job references.

Your Committee finds that assessment of a prospective employee's future performance is a difficult task for an employer who may have to rely on employment background information and recommendations from previous employers to make a hiring decision. Your Committee further finds that employers are reluctant to reveal that type of information for fear of possible lawsuits.

The intent of this bill is to provide a balanced disclosure, taking into account the rights of the employee and the interest of the employer.

Your Committee has amended S.B. No. 3088, S.D. 1, H.D. 2, to:

- (1) Amend the section title to "Providing information to prospective employers in good faith";
- (2) Grant the employer qualified immunity from civil liability;
- (3) Add chapters 89 and 92F, Hawaii Revised Statutes, to rights protected; and
- (4) Make technical amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3088, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3088, S.D. 1, H.D. 2, C.D. 1.

Representatives Yonamine, Tom, Nakasone, Yamane and Marumoto.
Managers on the part of the House.

Senators Kanno, Chun Oakland, Chumbley, Matsunaga, Ihara, McCartney and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 38 on S.B. No. 2987

The purpose of this bill is to reform the child protective services system to afford greater emphasis on the safety of the abused child.

This conference draft is a result of many months of roundtable child protective services (CPS) discussions among CPS workers, foster parents, medical professionals, law enforcement personnel, the Department of Human Services (DHS), the Judiciary, parents, children, community organizations, and legislative committees of both houses. Information was presented, explanation was provided, issues were raised and discussed, questions were asked and answered, feelings were communicated, and solutions were forthcoming. This bill represents the major legislative solutions to the many suggestions arising from the roundtable CPS discussions.

Your Committee is acutely aware of the seriousness and prevalence of child abuse in Hawaii. Your Committee grieves for the innocent child victims who are helpless and blameless for their predicament. Unfortunately, child abuse does not lend itself to simplistic solutions because its cause is symptomatic of society's fundamental ills, such as substance abuse, poverty, violence, and isolation. Children who are raised in this environment are at significant risk for being abused. The cost of preventing and treating child abuse is staggering in terms of dollars and ruined lives. Beyond costs, the ultimate tragedy could be death or near death.

Your Committee is committed to doing what needs to be done to improve child protective services, while realizing that child abuse will never be extinguished with laws or money alone. A total community effort on all fronts is necessary, including public awareness, public reporting, police response, medical intake, and social services and court procedures. Everyone in the process must become vigilant in identifying child abuse or potential abuse, and aggressive in prevention. However, your Committee recognizes that laws cannot substitute for the professional performance and judgment of the CPS worker who is the first line of defense.

But, more importantly, the family unit should be the focus of attention to prevent child abuse. A cohesive and functional family is the best solution to child abuse prevention. Your Committee is not unmindful that this is a utopian concept in today's society, so this measure emphasizes the safety of the child over reunification of the family. In matters involving human behavior and attitudes, as in child abuse, legislation is limited to enacting proscriptive legislation, as in protection of the child.

Your Committee believes that it is incumbent upon the DHS to establish an internal peer review, independent of the child protective review panel, to share information on CPS cases with a view toward improving the professional practice of CPS workers. The peer review members may include the guardian ad litem on a voluntary basis, foster parents, and CPS workers.

Your Committee is concerned about the lines of communication between the police departments and the DHS on child abuse cases. Although this conference draft requires the police to submit written reports to the DHS on cases that the police take further action on or for active cases in the DHS, your Committee understands the problem of information transmittal, whether oral, written, or electronic. For this reason, your Committee recommends that the DHS and the respective police departments establish mutual procedures, appropriate to each police department, to identify active CPS cases and to inform the police on the status of those active cases. Ideally, your Committee would like to see a computerized process whereby the police officer on the beat who responds to a domestic call could identify a CPS case and ascertain its status immediately on a computer terminal in the police vehicle, similar to driving records and arrest warrant information.

Your Committee, after careful consideration, has made the following amendments to S.B. No. 2987, S.D. 2, H.D. 3:

- (1) Clarifying the requirements for the child protective review panel;
- (2) Clarifying the initial oral report and follow-up written report requirements under the child abuse reporting law;
- (3) Changing the time period within which the DHS must file required reports with the court from the amended time of seventy-two hours back to the current time of forty-eight hours subsequent to the time of filing a petition;

(4) Changing the time period within which the court must set a temporary foster custody hearing if the DHS has continued to assume temporary foster custody from the amended time of three working days back to the current time of two working days after the filing of a petition; and

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2987, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2987, S.D. 2, H.D. 3, C.D. 1.

Representatives Arakaki, Santiago, Tom, Kawakami and Meyer.
Managers on the part of the House.

Senators Chun Oakland, Kanno, Chumbley, Matsunaga, Baker, Sakamoto and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 39 on S.B. No. 632

The purpose of this bill is to enhance traffic enforcement and safety in the City and County of Honolulu.

In particular, this bill seeks to achieve this objective by:

(1) Establishing a three-year demonstration project in selected areas on state or county highways in the City and County of Honolulu to provide for the implementation of photo speed imaging detector and photo red light imaging systems to improve traffic enforcement; and

(2) Allowing the City and County to contract with an appropriate provider of these systems pursuant to the public procurement laws while exempting the contract from civil service, compensation, and collective bargaining laws; permitting the contractor to have access to information as set forth in the bill; and allowing the contractor to issue citations or summonses by mail.

Your Committee agrees with the intent of this Act, and finds that it will help to improve traffic enforcement and safety using two automated technological innovations -- photo speed imaging detectors and photo red light imaging systems -- which are capable of safely and efficiently diffusing dangerous traffic control problems while at the same time freeing up police officers to handle more pressing problems.

Your Committee has amended this bill by:

(1) Making the three-year demonstration project applicable to all state and county highways in each of the counties, rather than only in the City and County of Honolulu;

(2) Deleting references to ordinances in sections 6, 7(a) and (b), 8(a) and (b), and 19 of the bill, thereby authorizing the counties to initiate the projects based directly upon this measure, rather than requiring them to enact implementing ordinances;

(3) Moving the last sentence of section 11 of the bill, which states that the registered owner shall be determined by the identification of the vehicle's registration plates, to the end of section 10(d) of the bill;

(3) Changing the word "defendant" to "person to whom the summons or citation was sent" in section 12(a) of the bill;

(4) Changing the phrase "a violator of this Act" to "the registered owner of the vehicle" in section 13 of the bill;

(5) Amending section 17 of the bill by:

(A) Changing the phrase "contract terms" to "duration of contract" in the section heading;

(B) Deleting subsection (c)(3), requiring contracts to define personal and confidential information, and renumbering the remaining paragraphs in that subsection;

(C) Deleting subsection (d), providing that initial contracts were to be for periods of not more than three years subject to renewal and that the State was not obligated for payments beyond current annual appropriations, and renumbering the remaining subsections;

(D) Amending subsection (f), which has been changed to subsection (e), by adding the word "prior" immediately before the words "written notice"; and

(E) Amending subsection (g), which has been changed to subsection (f), by changing the word "vendor's" to "contractor's";

(6) Changing the reference to the "insurance commissioner" to the "attorney general" in section 21(a) of the bill;

(7) Deleting the words "expand the project to the neighbor islands," in section 23(2)(J) of the bill; and

(8) Making technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 632, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 632, S.D. 2, H.D. 3, C.D. 1.

Representatives Hiraki, Tom, Nakasone, Yamane and Moses.
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Matsunaga, Chumbley, Baker, Fernandes Salling and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 40 on S.B. No. 2866

The purpose of this bill is to allow the Director of Health to appoint professional and nonprofessional staff to carry out the state mental health program, including but not limited to, a Director of Psychosocial Rehabilitation, and a Chief of the Department of Nursing. It also exempts Occupational Therapists and Occupational Therapy Assistants who are employed by the Hawaii State Hospital from certification by the American Occupational Therapy Certification Board for not longer than one year.

Your Committee has amended this bill by:

(1) Extending the exemption from certification by the American Occupational Therapy Certification Board for no longer than one year without having passed the national certification examination to Occupational Therapists and Occupational Therapy Assistants employed in a civil service position with the Department of Health, rather than only those with the Hawaii State Hospital; and

(2) Repealing on June 30, 2000, Section 2 of the bill relating to the one year exemption and reenacting section 457G-2, Hawaii Revised Statutes, without the exemption.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2866, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2866, S.D. 1, H.D. 1, C.D. 1.

Representatives Santiago, Kahikina, Ito, Stegmaier and McDermott.
Managers on the part of the House.

Senators Levin, Fernandes Salling, Chun Oakland, Kanno, Metcalf, D. Ige, Fukunaga and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 41 on S.B. No. 2346

The purpose of this bill is to extend the sunset date of Act 202, Session Laws of Hawaii 1988, as amended by Act 111, Session Laws of Hawaii 1994, dealing with mental health and alcohol and drug abuse treatment insurance benefits under prepaid health care insurance to July 1, 2002.

Your Committee on Conference stresses that the legislative intent is to increase mental illness and alcohol and drug dependence benefits but avoid the health care cost increases associated with increased inpatient care. Your Committee on Conference therefore limited the increase in benefits to outpatient benefits.

Your Committee on Conference amended the bill by reverting to Senate Bill No. 2346, Senate Draft 2, and additionally extending the sunset date of Act 202, Session Laws of Hawaii 1988, as amended by Act 111, Session Laws of Hawaii 1994, to July 1, 2002.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2346, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2346, S.D. 2, H.D. 2, C.D. 1.

Representatives Santiago, Menor, Kawakami and Meyer.
Managers on the part of the House.

Senators D. Ige, Metcalf, Baker, Chun Oakland and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 42 on S.B. No. 1273

The purpose of the bill, as received by your Committee, is to require an accused defendant to be tested for the human immunodeficiency virus (HIV) upon the request of a sexually assaulted victim. The bill also allows a victim to obtain the HIV test results and appropriate counseling.

Your Committee finds that sexual assault is one of the most traumatic and horrifying experiences for a victim to overcome. In addition, victims are often fearful of contracting HIV as a result of having been sexually assaulted. This fear of contracting this life-threatening disease adds to the extraordinary psychological trauma felt by the victims. Thus, your Committee believes that requiring a convicted sex offender to undergo HIV testing upon the request of the victim will help to alleviate some of this trauma.

Your Committee recognizes that victims may want to know the HIV status of the accused sex offender for their peace of mind. However, your Committee firmly believes that a sex offender should be tested upon conviction rather than upon

accusation. Requiring an accused individual to submit to an HIV test may be an unconstitutional deprivation of the individual's due process rights.

While your Committee notes that mandatory testing of sex offenders at the request of the victim may provide some psychological remedy, it is more important to provide victims with immediate counseling, including accurate and up-to-date information regarding HIV preventive treatment, offering them HIV testing immediately after the assault, and the result of the HIV test of the convicted sex offender.

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

(1) Requiring that any person convicted of a sex offense shall be ordered, upon the written request of the victim, to submit to an HIV test;

(2) Requiring that the convicted person and the victim shall be provided with HIV counseling prior to and following testing;

(3) Deleting the requirement whereby the court has to make a determination that the commission of the offense may have involved the transfer of body fluids or caused the transmission of HIV; thus, requiring that the convicted person shall be tested only upon the the request of the victim;

(4) Adding the definition of "convicted person";

(5) Amending the definition of "HIV counseling" to include referral for appropriate health care and support services;

(6) Deleting the provision that specifies that any federal funds received pursuant to this Act shall be allocated to provide direct services to victims of sexual assault; and

(7) Making non-substantive technical changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1273, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1273, S.D. 1, H.D. 2, C.D. 1.

Representatives Tom, White, Ahu Isa, Lee and Fox.
Managers on the part of the House.

Senators Chumbley, Matsunaga, Baker, Fukunaga, Ihara, McCartney and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 43 on S.B. No. 1309

The purpose of this bill is to compensate state residents who are victims of crimes, including terroristic acts, occurring outside the United States.

Specifically, this bill:

(1) Adds to section 351-2, Hawaii Revised Statutes, the definition of "crime" to include acts of terrorism occurring outside the United States;

(2) Amends, in section 351-2, Hawaii Revised Statutes, the definitions of:

(A) "Resident" of the State to broaden the term; and

(B) "Victim" to include residents injured or killed by acts of terrorism outside the United States;

(3) Adds to section 351-32, Hawaii Revised Statutes, the definition of "terrorism" as an act as defined in 18 United States Code section 2331;

(4) Amends section 351-31, Hawaii Revised Statutes, to make eligible for criminal injuries compensation any resident injured or killed by an act of terrorism occurring outside the United States; and

(5) Disallows compensation to any victim or intervenor who suffered injury or death while confined in any federal, state, or county jail, prison, or other correctional facility.

Your Committee has made the following technical, nonsubstantive amendments:

(1) Inserting the word "title" four times to the phrase "title 18 United States Code section 2331 in sections 1, 2, and 3 of the bill;

(2) Correcting the word "Section" to lower case "section" in section 3 of the bill (in the phrase "title 18 United States Code section 2331");

(3) Setting out the entire section 351-32, Hawaii Revised Statutes, to add a new crime of "terrorism" in section 3 of the bill; and

(4) Moving the phrase "every individual who" in the definition of "resident" to the position immediately before the colon (:) to enable the definition to read better.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1309, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1309, S.D. 1, H.D. 2, C.D. 1.

Representatives Tom, White, Abinsay, Yoshinaga and Ward.
Managers on the part of the House.

Senators Matsunaga, Chumbley, Baker, Sakamoto and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 44 on S.B. No. 2249

The purpose of this bill is to make inmates accountable for their own care by authorizing the Department of Public Safety to charge fees for intentional injuries and nonemergency medical, dental, and mental health services or treatment.

This measure represents an effort by the Department of Public Safety to place more responsibility on inmates for their own self-care, and to address the increasing numbers of requests made by inmates for unnecessary medical treatment or services. Furthermore, the bill provides that an inmate's account will not be debited for the co-payment fee unless the inmate's account has more than a \$10. balance but will allow the department to implement a procedure to recover those fees in the future.

Upon further consideration and agreement, this measure was amended by:

(1) Clarifying that the fees may be assessed on medical services "received" by inmates rather than those "requested or required";

(2) Deleting the language that "no detainee or committed person shall be refused treatment upon request";

(3) Clarifying the language regarding making assessments upon inmates who receive services for intentional injuries;

(4) Replacing the word "rules" in subsection (d) with the words "policies and procedures" regarding establishing a fee schedule for medical services; and

(5) Making technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2249, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2249, S.D. 1, H.D. 2, C.D. 1.

Representatives Garcia, Tom, Ito, Saiki and Kawanakoa.
Managers on the part of the House.

Senators Chumbley, Matsunaga, McCartney and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 45 on S.B. No. 2399

The purpose of this bill is to enact a pilot clean elections program for the offices of state senator and state representative during the election campaign period for the election in the year 2000.

Under a clean elections program, candidates who agree to forego private campaign contributions, adhere to strict spending limits, and shorten their campaign period can qualify to receive a set and competitive amount of campaign financing from a public fund to run their campaigns. Your Committee finds that such a program has the potential for providing an effective means of addressing the problems of voter disillusionment and undue influence by special interest groups over Hawaii's elections. In particular, a clean elections program may help to reduce the escalating costs of campaigning and allow any qualified candidate the opportunity to run for office regardless of wealth or access to wealth, eliminate some of the influence of large contributors thereby reducing the influence of special interest money on elections, and free candidates and public officials from the burdens of fundraising and allow them greater time to serve the public interest.

Nevertheless, your Committee finds that there is a need for further review of a clean elections program before its implementation in the State. Your Committee finds that there is no easy solution to problems posed by an electoral system that is dependent to a large extent on the extensive and expensive use of media advertising. Your Committee is also mindful of the potential cost of public financing of a clean elections program. Funding for the program would presumably be derived predominantly from the income tax check-off and general fund appropriations, which the State simply cannot afford at this time due to the ongoing budget shortfall.

Accordingly, your Committee has amended this bill by:

(1) Specifying that the purpose of the bill is to conduct a study of the feasibility of implementing a pilot clean elections program, rather than enacting such a pilot program;

(2) Changing the pilot program to apply to all elections held in the years 2002 and 2004, rather than only the offices of state senator and state representative during the election campaign period for the election in the year 2000;

(3) Deleting the new sections and conforming amendments made to the state elections law, chapter 11, Hawaii Revised Statutes, that implemented the pilot program, and substituting a proposed model Act regarding clean elections to be studied by the Campaign Spending Commission. The model Act, among other things:

- (A) Specifies requirements for party and independent candidates for primary and general election periods who voluntarily agree to comply with the clean elections requirements, including clean elections qualifying contributions;
- (B) Establishes continuing obligations for clean elections candidates;
- (C) Specifies allowable contributions and expenditures;
- (D) Sets limits on the use of personal funds;
- (E) Provides for "seed money" contributions;
- (F) Requires participation in debates in contested races and provides for media use;
- (G) Provides for certification for candidates who are eligible to receive clean elections benefits, and provides for a schedule of clean elections payments and determination of amounts;
- (H) Specifies allowable expenditures that may be made with clean elections funds;
- (I) Provides for disclosure of excess spending by nonparticipating candidates and matching funding to participating candidates;
- (J) Allows for paid broadcast media advertising;
- (K) Provides for the deposit of moneys into the Hawaii election campaign fund and administration and dispersal of money from that fund;
- (L) Prohibits clean elections candidates from accepting monetary contributions from political parties;
- (M) Provides for repayments of excess expenditures; and
- (N) Defines relevant terms;

(4) Adding "Hawaii Clean Elections" to the list of stakeholders who are asked to cooperate with the Campaign Spending Commission's study of Hawaii's campaign financing system, and changing the reporting date from no later than twenty days before the convening of the 2000, rather than 1999, Regular Session;

(5) Including in the Commission's study proposed rules to implement the proposed model Act and suggested changes to the model Act;

(6) Changing the effective date from July 1, 1999, to upon approval, and removing the sunset provision; and

(7) Making technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2399, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2399, S.D. 2, H.D. 2, C.D. 1.

Representatives Tom, Say, Abinsay, Yamane and Whalen.
Managers on the part of the House.

Senators Chumbley, Matsunaga, Baker, Ihara, McCartney and Sakamoto.
Managers on the part of the Senate.

Conf. Com. Rep. 46 on S.B. No. 720

The purpose of this bill is to authorize the Administrative Director of the Courts to assess and collect a \$15 fee from each arrestee who requests an administrative hearing to cover the costs of processing such a request.

The bill also requires the return of any fees collected from an arrestee upon a subsequent reversal of the administrative revocation.

Particularly in view of the State's present economic condition, your Committee is in full support of imposing personal and monetary responsibility for the costs of processing cases under the administrative revocation of driver's license program upon the offender, as opposed to the taxpayers. Your Committee notes that the fee would be returned to the arrestee upon a subsequent reversal of the administrative revocation.

Upon further consideration, your Committee has amended the bill to clarify that: the fee is to cover the costs of processing the arrestee's request for an administrative hearing; and the list of costs items covered by the fee and enumerated in the bill is not exclusive.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 720, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 720, S.D. 2, H.D. 2, C.D. 1.

Representatives Tom, White, Kanoho, Yoshinaga and Whalen.
Managers on the part of the House.

Senators Chumbley, Matsunaga, Fukunaga, Bunda and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 47 on S.B. No. 721

The purpose of this bill is to increase certain court fees to generate revenue while preserving access to the court system.

Your Committee finds that Hawai'i's court fees are among the lowest in the nation, and that some of the fees amended in this bill have not been increased since 1974. Filing fees are the "price of admission" to the judicial system and should not be viewed primarily as a revenue-generating device. However, in a time of economic severity, it is appropriate that users of the system share in the present-day costs of operating the system. Your Committee finds that the proposed changes are reasonable in light of these factors, and notes that the Judiciary supported both the S.D. 1 and H.D. 1 versions of the bill.

Your Committee has amended this bill by:

(1) Removing the provision of the H.D. 2 version requiring the Judiciary to adopt rules pursuant to chapter 91 to establish fees for services provided by the district, circuit, and small claims courts, the filing of foreign judgments, and the filing of an appeal or institution of an action in the appellate courts; and

(2) Reinstating the specific fee increases of the H.D. 1, with the following changes from the H.D. 1:

- (A) Increasing the fee for transfer of action to circuit court from district court from \$100 to \$125;
- (B) Increasing the informal probate or appointment proceeding under chapter 560 from \$75 to \$100;
- (C) Increasing the fee for adoption from \$75 to \$100;
- (D) Increasing the fee for guardianship of the person from \$75 to \$100.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 721, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 721, S.D. 1, H.D. 2, C.D. 1.

Representatives Tom, Kawakami, Suzuki, Yamane and Whalen.
Managers on the part of the House.

Senators Chumbley, Matsunaga, Baker and Sakamoto.
Managers on the part of the Senate.

Conf. Com. Rep. 48 on S.B. No. 2326

The purpose of this bill is to establish an oversight council to monitor the Hawaii Employers' Mutual Insurance Company (HEMIC), to exclude HEMIC from required assessments on its first \$25,000,000 in written premiums to the Hawaii Hurricane Relief Fund (HHRF), and to require HEMIC to participate in the Hawaii Insurance Guarantee Association (HIGA) beginning January 1, 2009.

Your Committee upon further consideration has made the following amendments to S.B. No. 2326, S.D. 1, H.D. 2:

(1) Changing the selection procedures for the oversight council members for the Senate and the House and their substitutes in case of disqualification, so that the President of the Senate and the Speaker of the House directly appoint the respective member of each body;

(2) Providing that HEMIC rather than the Department of Commerce and Consumer Affairs provide the staff support to the oversight council;

(3) Changing the amended date of December 31, 2008, back to the current date of December 31, 2007, as the date until HEMIC is to be excluded from the surplus requirements of domestic mutual insurers;

(4) Clarifying that HEMIC is to be excluded from HHRF assessments for the first \$25,000,000 of written premiums in each calendar year but premiums beyond that amount will be assessed in accordance with existing law;

(5) Changing from January 1, 2009, to January 1, 2008, as the date that HEMIC begins to participate in HIGA; and

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2326, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2326, S.D. 1, H.D. 2, C.D. 1.

Representatives Yonamine, Menor, Say, Case and Pendleton.
Managers on the part of the House.

Senators Kanno, Chun Oakland, Fukunaga, Baker, Metcalf, D. Ige and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 49 on S.B. No. 2624

The purpose of this bill is to re-enact the Hale Kokua pilot project program as a permanent program under the Housing and Community Development Corporation of Hawaii.

The Hale Kokua program authorizes the payment of a state grant and a monthly rent supplement to property owners who set aside rental units to persons classified as employed but homeless for up to five years.

Your Committee finds that the Hale Kokua program will benefit Hawaii because it provides incentives to shelter the homeless.

Your Committee has amended this bill by replacing its contents with the Senate's version of this bill contained in Senate Bill No. 2624, S.D. 2, and by amending that language to:

(1) Clarify that the property owner incentives shall be conditioned on participation in the program and shall lapse when program participation ends;

(2) Delete the provisions that authorize the use of funds from the employment and training fund established by section 383-128, Hawaii Revised Statutes, for the purposes of providing job training to tenants participating in the Hale Kokua program; and

(3) Making other technical, nonsubstantive amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2624, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2624, S.D. 2, H.D. 2, C.D. 1.

Representatives Arakaki, Kawakami, Kahikina, Saiki and Ward.
Managers on the part of the House.

Senators Bunda, M. Ige, Baker, Fukunaga, Chun Oakland and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 50 on S.B. No. 2803

The purpose of this bill is to provide regulatory flexibility for small businesses by requiring that agencies analyze the impact of rules on small businesses as well as provide an opportunity for early input by small businesses into the rulemaking process.

Your Committee upon further consideration has amended the bill by:

(1) Eliminating the staggered terms and term limits for members of the Small Business Regulatory Review Board;

(2) Clarifying that penalties or fines assessed pursuant to a program approved, authorized, or delegated under a federal law are not subject to the waiver or reduction of penalties provisions of this measure;

(3) Placing the provisions establishing the Small Business Defender in a new chapter entitled Small Business Defender placed within the legislature;

(4) Deleting the new section which provides for small business functions, powers, and duties within the Office of the Ombudsman; and

(5) Changing the effective date to July 1, 1998, with a repeal date of June 30, 2002.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2803, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2803, S.D. 2, H.D. 2, C.D. 1.

Representatives Herkes, Say, Ahu Isa, Ito and Aiona.
Managers on the part of the House.

Senators Taniguchi, Metcalf, Levin, Baker, Ihara and Anderson.
Managers on the part of the Senate.

Conf. Com. Rep. 51 on H.B. No. 1488

The purpose of this bill is to:

- (1) Extend the licensing period for group child care homes and group child care centers from one year to two years;
- (2) Define a "family child care home" as a private home authorized to care for three to six children who are unrelated to the caregiver by blood, marriage, or adoption; and
- (3) Extend the total period a temporary permit may be granted to a group child care home or center to twenty-four months.

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

- (1) Providing that a license for a group child care home or center is valid for:
 - (A) One year for new applicants and for those who have been licensed for less than four years; and
 - (B) Two years for those who have been licensed for four years or more, unless sooner revoked;
- (2) Providing that registration for a family child care home is valid for:
 - (A) One year for new applicants and for those who have been licensed for less than four years; and
 - (B) Two years for those who have been licensed for four years or more, unless sooner revoked; and
- (3) Making technical, nonsubstantive amendments for clarity and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1488, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1488, H.D. 2, S.D. 1, C.D. 1.

Representatives Arakaki, Menor, Lee, Saiki and Whalen,
Managers on the part of the House.

Senators Chun Oakland, Kanno, Iwase, Solomon, Baker, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 52 on H.B. No. 3367

The purpose of this bill is to establish an international exchange program between the University of Hawaii schools of Medicine and Nursing, and foreign educational institutions in the Asia-Pacific region.

Your Committee on Conference finds 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.

The creation of long-term relationships through exchange programs between Hawaii and the healthcare communities in Asia and the rest of the world, 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 Committee on Conference has amended the bill by making technical, non-substantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3367, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3367, H.D. 1, S.D. 1, C.D. 1.

Representatives Cachola, Morihara, Chang, Ahu Isa and Halford,
Managers on the part of the House.

Senators Aki, Tam, Levin, Baker, Chun Oakland, Solomon and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 53 on H.B. No. 2443

The purpose of this bill is to amend Act 131 (Act 131), Session Laws of Hawaii 1997, the de minimus structure position discrepancies law, by adding industrial property to the types of property covered by Act 131, and providing that the property owner is responsible for an encroachment where the builder is not readily identifiable.

Your Committee on Conference, upon further consideration, has amended this measure by incorporating a new section 3 which would make Act 131 apply to all structure position discrepancies without regard to when the facts or actions giving rise to the discrepancy occurred.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2443, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2443, H.D. 2, S.D. 1, C.D. 1.

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

Senators Chumbley, Matsunaga, Ihara, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 54 on H.B. No. 2778

The purpose of this bill is to appropriate emergency funding to the Department of Hawaiian Home Lands (DHHL) to allow DHHL to continue to have its legal interests relating to individual claims against the state under Chapter 674, Hawaii Revised Statutes, represented by the Department of the Attorney General from March 1, 1998, through June 30, 1998.

Upon further discussion, your Committee on Conference has amended this bill to provide that the appropriation be made to the Department of the Attorney General.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2778, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2778, S.D. 1, C.D. 1.

Representatives Suzuki, Kahikina and Ward,
Managers on the part of the House.

Senators Baker, Fukunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 55 on H.B. No. 2533

The purpose of this bill is to strengthen the penalties and fines for violations of the Plant and Non-domestic Animal Quarantine Law under Chapter 150A-14, Hawaii Revised Statutes, by:

(1) Increasing the penalty and fines for persons convicted of owning or intentionally transporting, possessing, harboring, or transferring a prohibited or restricted plant, animal, or microorganism; and

(2) Establishing penalty and fines for persons convicted of intentionally transporting, harboring, or importing with the intent to propagate or sell any prohibited or restricted plant, animal, or microorganism without a permit.

Your Committee on Conference has amended this bill by:

(1) Changing the penalty to a petty misdemeanor and decreasing the maximum fine from \$25,000 to \$20,000 for persons convicted of owning or intentionally transporting, possessing, harboring, or transferring a prohibited or restricted plant, animal, or microorganism; and

(2) Restoring language that was inadvertently left out with regard to penalties and fines for persons convicted of intentionally transporting, harboring, or importing with the intent to propagate or sell any prohibited or restricted plant, animal, or microorganism without a permit.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2533, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2533, H.D. 1, S.D. 2, C.D. 1.

Representatives Jones, Tom, Abinsay and Halford,
Managers on the part of the House.

Senators Taniguchi, Chumbley, Matsunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 56 on H.B. No. 2701

The purpose of this bill is to prohibit telecommunications carriers, with the exception of wireless carriers, from making unauthorized changes in a subscriber's selection or designation of a long-distance carrier without the subscriber's knowledge or consent.

In addition, this bill subjects telecommunications carriers to administrative penalties for such violations.

Your Committee on Conference has amended this bill to:

(1) Prohibit telecommunications carriers from initiating, rather than submitting, changes in a subscriber's selection or designation of a long-distance carrier without receiving authorization or verification as enumerated in the bill; and

(2) Clarify the authorization and verification procedures.

Technical, nonsubstantive amendments were made for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2701, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2701, H.D. 2, S.D. 1, C.D. 1.

Representatives Herkes, Menor, Tom, Ahu Isa and Whalen,
Managers on the part of the House.

Senators D. Ige, Metcalf and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 57 on H.B. No. 2985

The purpose of this bill is to authorize the Board of Agriculture (BOA) to use moneys from the Irrigation System Account to contract for the operation or maintenance of irrigation and water utilization project facilities, if the action is in the public interest.

After careful consideration, your Committee on Conference has amended this bill to empower the BOA to contract for services with the private sector for the operation or maintenance of irrigation and water utilization project facilities if, in the BOA's reasonable discretion, existing civil service staff is inadequate to service such projects or project facilities.

Your Committee on Conference has also made technical, non-substantive amendments for purposes of style and clarity.

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

Representatives Jones, Say, Abinsay, Chang and Fox,
Managers on the part of the House.

Senators Taniguchi, Kanno, Baker, Ihara, Metcalf and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 58 on H.B. No. 3138

The purpose of this bill is to permit the counties to transfer development rights between two lots, parcels, or areas of land.

To clarify legislative intent and to ensure consistency with the existing provisions of Chapter 46, Hawaii Revised Statutes, your Committee on Conference has restored the "findings and purpose" section of this bill and amended it to acknowledge the balancing of preservation and development interests.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3138, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3138, H.D. 1, S.D. 1, C.D. 1.

Representatives Takamine, Goodenow, Hamakawa, Morihara and Meyer,
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Iwase, Taniguchi and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 59 on H.B. No. 3457

The purpose of this bill is to establish the West Hawaii Regional Fishery Management Area to:

- (1) Effectively manage fishery activities;
- (2) Enhance nearshore resources; and
- (3) Minimize conflicts of use in this coastal area.

Your Committee recognizes the importance of clarifying that in the fish reserves, which are a portion of the fish replenishment areas, fishing for reef-dwelling fish is prohibited. A reef-dwelling fish is one that lives the majority of its life feeding and reproducing in the reef environment. Fishing for pelagic species, however, would not be restricted.

Your Committee also recognizes that the restrictions on gill nets used as set nets do not include throw or surround nets.

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

(1) Adopting the Senate's language, which deleted "aquarium" from the phrase "aquarium fish replenishment areas", since the bill language clearly states that in these replenishment areas, aquarium fish collecting is prohibited;

(2) Amending Section 2 and Section 3 references to fish reserves to read "a portion of fish replenishment areas as fish reserves where no fishing for reef-dwelling fish is allowed"; and

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3457, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3457, H.D. 2, S.D. 2, C.D. 1.

Representatives Tarnas, Kawakami, Hamakawa, Morihara and Meyer,
Managers on the part of the House.

Senators Taniguchi, Baker, Levin, McCartney and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 60 on H.B. No. 1815

The purpose of this bill is to authorize the Board of Trustees of the Employees' Retirement System to appoint a chief investment officer and to select legal counsel other than the attorney general.

Your Committee on Conference has amended this measure by making a technical, nonsubstantive amendment.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1815, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1815, H.D. 1, S.D. 2, C.D. 1.

Representatives Yonamine, Nakasone, Case and Marumoto,
Managers on the part of the House.

Senators Kanno, Chun Oakland, Baker, Fukunaga, Metcalf, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 61 on H.B. No. 2567

The purpose of this bill is to develop a plan to eliminate duplication of government services at the state and county levels with respect to highway and road maintenance and parks services.

Upon further consideration, your Committee on Conference has amended this bill by requiring the Governor and the mayors of the respective counties to:

- (1) Analyze the issue of duplicative state and county services;
- (2) Determine areas of duplication and methods to consolidate;
- (3) Draft implementation plans to eliminate duplication;
- (4) Develop a viable process to eliminate the duplication of government services at the state and county levels;
- (5) Submit a report on eliminating duplication of government services with respect to highway and parks services to the Legislature no later than November 30, 1998; and
- (6) Submit a final report, including the final plan, on eliminating duplication of all government services at the state and county levels to the Legislature no later than November 30, 1999.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2567, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2567, H.D. 2, S.D. 1, C.D. 1.

Representatives Yonamine, Nakasone, Chang, Takumi and Meyer,
Managers on the part of the House.

Senators M. Ige, Bunda, Sakamoto, Kawamoto, Baker, Fukunaga, Levin and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 62 on H.B. No. 3257

The purpose of this bill is to authorize the counties to establish procedures to conduct criminal history record checks of county employees. The bill also specifies that criminal history record checks will not be conducted on persons who have been employed continuously on a salaried basis prior to June 1, 1998.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3257, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3257, H.D. 2, S.D. 1, C.D. 1.

Representatives Yonamine, Tom, Case, Yamane and Pendleton,
Managers on the part of the House.

Senators Kanno, Chun Oakland, Kawamoto, Sakamoto, Chumbley, Matsunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 63 on H.B. No. 2358

The purpose of this bill is to:

- (1) Require first time violators of the child passenger restraint law to attend a child passenger safety class conducted by the division of driver education that is not to exceed four hours;
- (2) Require payment of a driver's education assessment of \$50 for first time violators of the child passenger restraint law; and
- (3) Specify that fines for the first three convictions range between \$100-\$500.

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

(1) Amending section 2, page 3, lines 17-19, to read: "and \$50 shall be levied on persons required to attend a child passenger restraint system safety class under section 291-11.5";

(2) Amending section 3, page 3, line 22 through page 4, line 2, to read: "[Any person violating] Violation of this section shall be [guilty of a violation] considered an offense as defined under section 701-107(5) and shall subject the violator to the following penalties [of section 291C-161(b).]";

(3) Amending section 3, page 4, lines 9-12, to specify that video conferences will be allowed as an alternative method of education and that their use will be determined by the administrator of the division of driver education;

(4) Inserting language in section 3, page 4, lines 18-22, to require a person convicted of a second offense to attend a child passenger restraint system safety class that is not to exceed four hours in length if the person has not previously attended such a class;

(5) Inserting language in section 3, page 4, line 23 through page 5, line 3, to require a person convicted of a second offense to pay a \$50 driver education assessment, as provided in section 286G-3, Hawaii Revised Statutes (HRS), if the person has not previously attended a child passenger system safety class;

(6) Inserting language in section 3, page 5, lines 7-11, to require a person convicted of a third or subsequent offense to attend a child passenger restraint system safety class not to exceed four hours in length if the person has not previously attended such a class; and

(7) Inserting language in section 3, page 5, lines 12-15, to require a person convicted of a third or subsequent offense to pay a \$50 driver education assessment, as provided in section 286G-3, HRS, if the person has not previously attended a child passenger system safety class.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2358, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2358, H.D. 2, S.D. 1, C.D. 1.

Representatives Hiraki, Tom, Jones, Yonamine and Marumoto,
Managers on the part of the House.

Senators Sakamoto, Kawamoto, Chumbley, Matsunaga and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 64 on H.B. No. 3022

The purpose of this bill is to expedite efforts to renovate or expand facilities on the grounds of the Hawaii Youth Correctional Facility (HYCF) in Kailua, Oahu, by extending the exemption of the Office of Youth Services (OYS) from complying with all State and county requirements relating to planning, land use classifications, and environmental approvals.

Upon careful consideration your Committee on Conference has amended this measure by:

- (1) Removing all references to alternate sites;
- (2) Requiring that OYS work closely with the Department of Accounting and General Services for the timely completion of planned improvements and construction of facilities; and
- (3) Making technical, nonsubstantive changes for purposes of clarity and consistency.

Your Committee on Conference recommends that in the course of facilities expansion, the OYS make every effort with contractors to utilize the wards of the HYCF in the construction projects for training and employment opportunities.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3022, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3022, H.D. 2, S.D. 1, C.D. 1.

Representatives Garcia, Ito, Abinsay, Saiki and Kawanakoa,
Managers on the part of the House.

Senators Chun Oakland, Kanno, Fukunaga, Metcalf and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 65 on H.B. No. 1830

The purpose of this bill is to ensure that all volunteer emergency medical disaster response personnel are provided with workers' compensation benefits and immunity from liability while engaged in an emergency response to a mass casualty event or disaster situation.

Although immunity and benefits for volunteer health care personnel are provided under Chapter 128, Hawaii Revised Statutes (Civil Defense and Emergency Act), once an official declaration of disaster has been made, the critical period before that declaration is not addressed. This bill affords volunteer medical personnel the same protections afforded to volunteers under Chapter 128 in a gubernatorial or presidential declaration of a disaster. Without the protection provided by this bill, your Committee on Conference finds that the number of volunteers may be reduced, resulting in inadequate response and health care before an official disaster declaration.

Your Committee on Conference has amended this measure by deleting the definition of "public official" since it defeats the intent of this bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1830, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1830, H.D. 1, S.D. 1, C.D. 1.

Representatives Santiago, Garcia, Tom, Kawakami and Kawanakoa,
Managers on the part of the House.

Senators Levin, Fernandes Salling, Baker, Chun Oakland and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 66 on H.B. No. 2878

The purpose of this bill is to give the Department of Land and Natural Resources (DLNR) the authority to adopt administrative rules relating to aquatic resource regulations that specify bag limits, sales restrictions, seasons, and regulations on fishing gear.

Your Committee on Conference finds that much of the law governing aquatic life is outdated and should be amended to reflect current practices and beliefs.

Your Committee on Conference is also aware that when dealing with aquatic resources, DLNR needs to act quickly and often cannot wait until the Legislature meets for session. Your Committee on Conference believes that while the transfer of rulemaking authority to DLNR may allow more active participation by, and provide notice to those most affected by state regulation, delegation of this type of legislative power and oversight should be done responsibly and incrementally. Your Committee on Conference is hesitant to completely wipe out these statutes and replace them with administrative rules in one fell swoop without any historical assurance that this new type of rulemaking authority will be implemented in a responsible manner.

Your Committee on Conference believes that it has a duty to develop legislation that will protect the public and preserve the integrity of the legislative process, and at the same time allow departments flexibility to enact effective rules year-round.

Therefore, after careful consideration, your Committee on Conference has adopted the House position and has amended this measure by:

(1) Requiring DLNR to submit an annual report to the Legislature describing the rules adopted during the interim and the necessity for adopting any such rules;

(2) Providing that if a rule is adopted under the new authority, any additions, deletions, or revisions to the provisions of the affected measure shall be temporary; and

(3) Providing that if the next regular session of the Legislature does not enact amendments to Chapter 188, Hawaii Revised Statutes, corresponding to the changes that DLNR made by rule, the unenacted temporary rules shall be nullified no later than 90 days following the adjournment of that regular session of the Legislature.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2878, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2878, H.D. 1, S.D. 1, C.D. 1.

Representatives Tarnas, Tom, Yamane, Yoshinaga and Whalen,
Managers on the part of the House.

Senators Taniguchi, Levin, McCartney, Tanaka and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 67 on H.B. No. 3289

The purpose of this bill is to provide that hotels need not provide instruction or training in the use of recreational equipment provided for guests if the activity is not under the supervision or management of the hotel.

Your Committee on Conference finds that unnecessary litigation can threaten the economic viability of a hotel operator and endanger the jobs of its employees. Some protection against excessive civil lawsuits for hotel operators will provide some measure of relief to the accommodations business, which constitutes a significant portion of the visitor industry that is the single largest contributor of private sector income to Hawaii's economy.

Your Committee on Conference finds that Act 129, Session Laws of Hawaii 1997, attempted to define the liability of the owners or operators of businesses providing recreational activities with a high degree of risk such as scuba or skin diving, sky diving, bicycle tours, and mountain climbing, and limited the liability of those owners or operators when a patron voluntarily signs a written release. Act 129 casted doubt on whether the liability of hotelkeepers would be no different than that of businesses providing a recreational activity.

Your Committee on Conference revised the bill by:

1. Providing that a hotelkeeper shall have no duty to instruct or train a user of recreational equipment that is provided by the hotelkeeper;
2. Not requiring that a hotelkeeper supervise the use of such equipment when the equipment is in fact used without supervision unless it is part of an activity guided or managed by the hotelkeeper; and
3. Making technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3289, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3289, H.D. 1, S.D. 1, C.D. 1.

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

Senators Taniguchi, Chumbley, Matsunaga, Levin and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 68 on H.B. No. 3403

The purpose of this bill is to deter the problems of theft and trespass on agricultural and aquacultural lands.

Specifically, the bill addresses these problems by:

(1) Making it a criminal trespass in the first degree to knowingly enter or remain unlawfully in or upon uncultivated or cultivated agricultural land or aquacultural property that is fenced, enclosed, or secured in a manner to exclude intruders or on which is displayed the signage, "Private Property"; while providing an affirmative defense for lawful activity such as, but not limited to, religious or recreational activities which do not result in the destruction or removal of property; and

(2) Making the offense of theft in the second degree of an aquaculture product or of agricultural equipment, supplies, or products subject to the requirement that the theft occur on:

- (a) Premises that are fenced, enclosed, or secured in a manner designed to exclude intruders; or
- (b) Premises upon which there is displayed the signage, "Private Property."

Your Committee on Conference finds that farmers and ranchers suffer tremendous losses as a result of trespassers and the theft of crops, livestock, and equipment. Many of these thefts go unreported each year because of the long history of cases not being solved, lack of satisfactory resolution in the courts, and lack of restitution to the victim. Your Committee on Conference believes that this bill will serve as an adequate deterrent to potential thieves and trespassers who unlawfully trespass and victimize farmers and ranchers.

Upon further consideration your Committee on Conference has amended the measure by clarifying that nothing contained in section 708-813, Hawaii Revised Statutes (HRS), shall be construed to prohibit the exercise of constitutionally protected activity or to make punishable under section 708-813, HRS, a traverse of such land or property by a person, which does not result in the destruction or removal of property, for purposes of passing over the land to engage in a recreational activity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3403, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3403, H.D. 2, S.D. 1, C.D. 1.

Representatives Jones, Tom, Abinsay, Yamane and Whalen,
Managers on the part of the House.

Senators Taniguchi, Chumbley, Matsunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 69 on H.B. No. 2598

The purpose of this bill is to provide immunity from liability to any person who uses an automatic external defibrillator (AED) in emergency situations after having successfully completed an appropriate training program administered by a Hawaii-licensed physician, and to any person, including an employer, who establishes an AED program.

Your Committee on Conference notes that the Senate Committee on Judiciary amended this bill to clarify that an external defibrillator program administered by a physician means "an appropriate training course that includes cardiopulmonary resuscitation and proficiency in the use of an automatic external defibrillator."

Your Committee on Conference believes that use of this lifesaving technology is severely limited because under current law, the use of AED constitutes the practice of medicine and, as such, is limited to use by licensed physicians.

Your Committee on Conference has amended this bill by making technical, nonsubstantive revisions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2598, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2598, H.D. 2, S.D. 2, C.D. 1.

Representatives Santiago, Tom, Kawakami, Yamane and McDermott,
Managers on the part of the House.

Senators Levin, Fernandes Salling, Chumbley, Matsunaga and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 70 on H.B. No. 92

The purpose of this bill is to:

- (1) Allow flexibility in permitted documentation to facilitate interisland shipping of vehicles;
- (2) Allow the owners of out-of-state vehicles 30 days instead of 10 days to apply for registration in Hawaii; and
- (3) Allow county police officers to inspect vehicles and vehicle components for title or registration in regulated facilities to establish rightful ownership.

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

(1) Amending section 1, page 1, line 19 to page 2, lines 1-5, to read, "(b) The chief of police of each county or officers of the county police who are permanently assigned to conduct vehicle theft investigations may immediately inspect, during normal business hours or whenever the dealer or dealer's agents or employees are otherwise present, any records required by chapters 286, 289, or 445 and any articles described in such records that the police reasonably believe are stolen goods, limited to the purpose of establishing rightful title or registration of vehicles or identifiable vehicle components in order to determine rightful ownership or possession, of the premises of";

(2) Deleting the phrase "required to be" from section 1, page 2, line 6 and from section 1, page 2, line 8;

(3) Deleting the sentence, "The inspections authorized by this subsection shall be limited to the title or registration of vehicles to establish the rightful ownership or possession of the vehicle or identifiable vehicle component" from section 1, page 2;

(4) Deleting the exemption for certain commercial motor vehicles from the certificate of registration and certificate of ownership requirements of Section 286-47, Hawaii Revised Statutes; and

(5) Deleting the section that dealt with the proof required for the interisland shipping of vehicles.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 92, HD 2, SD 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 92, HD 2, SD 1, CD 1.

Representatives Hiraki, Tom, Menor, Nakasone, Yamane, Moses and Whalen,
Managers on the part of the House.

Senators Kawamoto, Sakamoto and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 71 on H.B. No. 2332

The purpose of this bill is to require the removal or immediate reporting of items that fall from motor vehicles onto highways or roadways. This bill also classifies a violation of section 291C-131, Hawaii Revised Statutes, as an offense as defined under section 701-107(5), HRS.

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

- (1) Deleting the section that classifies a violation as an offense as defined under section 701-107(5), HRS;
- (2) Inserting language into the description of waste material that reads: "As used in this section, "waste material" means rubbish, refuse, garbage, trash, tire debris, mufflers, tail pipes, or debris of whatever kind or description"; and
- (3) Making technical, non-substantive changes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2332, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2332, H.D. 2, S.D. 1, C.D. 1.

Representatives Hiraki, Tom, Nakasone, Yamane and Marumoto,
Managers on the part of the House.

Senators Sakamoto, Kawamoto, Chumbley, Matsunaga and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 72 on H.B. No. 2361

The purpose of this bill is to revise the limits on towing fees that a towing operator may charge. In addition, this bill establishes a difficult hookup fee for tows from multilevel buildings.

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

- (1) Deleting a provision which would have added a new section to chapter 291C, Hawaii Revised Statutes (HRS), regarding motor vehicle towing and storage, as well as settlement, issues;
- (2) Adding a new subsection to section 290-11, HRS, that reads: "(h) For the purposes of this section, tow operators shall accommodate payment by the owner for charges under subsection (b) by cash and by either credit card or automated teller machine located on the premises";
- (3) Amending section 3 to read: "This Act shall take effect upon its approval; provided that the amendment set forth in Section 1 shall take effect on September 1, 1998, and shall be repealed on July 1, 2000"; and
- (4) Making technical, non-substantive changes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2361, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2361, H.D. 1, S.D. 2, C.D. 1.

Representatives Hiraki, Tom, Nakasone, Yoshinaga and Moses,
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Baker, Tam and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 73 on H.B. No. 2837

The purpose of this bill is to provide more flexibility to Department of Education (DOE) administrators in disciplining students who are in possession of dangerous weapons, switchblade knives, intoxicating liquor, or illicit drugs while attending school.

In addition, this bill provides that if a student suspension is for less than ten days, then Title 8, Chapter 19, Hawaii Administrative Rules, which relate to school discipline, applies.

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

- (1) Allow the Superintendent and other individuals designated by rules of the Board of Education (BOE) to suspend for up to ninety-two school days any student found to be in possession of dangerous weapons, switchblade knives, intoxicating liquor, or illicit drugs while attending school;
- (2) Require BOE to adopt rules in accordance with the Administrative Procedures Law to implement the provisions in the bill; and
- (3) Authorize the Superintendent, the deputy superintendent, or the district superintendent of DOE to suspend students for up to ninety-two school days until December 31, 1998.

Your Committee on Conference strongly urges the Board of Education to adopt rules by December 31, 1998, to ensure a smooth transition from existing practice to the new practice.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2837, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2837, H.D. 1, S.D. 2, C.D. 1.

Representatives Stegmaier, Tom, Morita, Yamane and Halford,
Managers on the part of the House.

Senators Tam, Chumbley, Matsunaga, Aki, M. Ige, McCartney and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 74 on H.B. No. 2847

The purpose of this bill is to amend the State's solid waste management laws.

In particular, this bill:

- (1) Redefines the term "open dump";
- (2) Replaces the term "solid waste disposal system" with the term "solid waste management system";
- (3) Includes the processing of solid waste in the definition of "solid waste management system"; and
- (4) Expands the penalties for knowingly violating or knowingly consenting to violate these laws to include the following:
 - (A) Not more than thirty days imprisonment for each offense; and
 - (B) Revocation of any professional license to operate or practice a licensed profession or occupation, or any applicable certificate of public convenience and necessity from the Public Utilities Commission.

Your Committee agrees with the intent of this bill, and finds that stricter penalties are necessary to allow for better enforcement of the law against operators and users of illegal dumps. Your Committee finds that as the cost of waste management has increased, the number of commercially run open dumps that operate without permit or environmental control has proliferated. These dumps often receive hazardous materials that they then handle improperly, which may result in serious negative consequences on human health and the environment. Your Committee finds that increasing the penalties to enforce the solid waste management laws as provided in this bill will serve as a deterrent to illegal dumping and will help to provide a healthier environment for the public.

Your Committee has amended this bill by:

- (1) Deleting the amendment to "open dump";
- (2) Specifying that the penalties for knowingly violating or knowingly consenting to violate these laws are in addition to any other penalty provided by law;
- (3) Changing the penalty of "revocation of any professional license to operate or practice a licensed profession or occupation" to "revocation or suspension by court order of any contractor's license to operate as a contractor";
- (4) Changing "certificate of public convenience and necessity" to "certificate of authorization"; and
- (5) Making technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2847, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2847, H.D. 2, S.D. 2, C.D. 1.

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

Senators Levin, Fernandes Salling, Chumbley, Matsunaga and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 75 on H.B. No. 2506

The purpose of this bill is to establish an alternate nonjudicial foreclosure process.

Your Committee on Conference finds that this measure provides an alternate nonjudicial foreclosure process which reduces the time and cost of the current foreclosure process and contains additional safeguards not required in the current power of sale foreclosure law that are needed to protect the interests of consumers.

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

- (1) Specifying the definition of "served" to reference a service of summons under sections 634-35 and 634-36, Hawaii Revised Statutes;
- (2) Deleting indebtedness of the creditors from the public notice of the public sale;

- (3) Deleting the provision appointing the foreclosing mortgagee as the attorney-in-fact for the mortgagor to sign the conveyance document;
- (4) Requiring the mortgagor or the borrower to sign the conveyance document on his or her own behalf;
- (5) Referencing the new part establishing the alternate power of sale foreclosure law, rather than the current power of sale foreclosure law, in the recitals in the affidavit required to be completed;
- (6) Deleting the provision specifying that the debt owed by any guarantor to the foreclosing mortgagee is unaffected by the foreclosure;
- (7) Requiring all financial institutions, mortgagees, lenders, business entities and organizations, and persons who intend to use this power of sale foreclosure process to educate and inform borrowers and mortgagors and develop informational materials;
- (8) Restricting the use of the alternate nonjudicial power of sale foreclosure process to mortgages, loans, agreements, and contracts containing power of sale foreclosure language executed by the borrowers or mortgagors after July 1, 1999;
- (9) Retaining the original statutory language in section 501-118, Hawaii Revised Statutes, which refers to the ability for the mortgagor to directly impeach any foreclosure proceeding affecting registered land, prior to the entry of a new certificate of title; and
- (10) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2506, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2506, H.D. 1, S.D. 1, C.D. 1.

Representatives Menor, Tom, Cachola, Yamane and Aiona,
Managers on the part of the House.

Senators D. Ige, Metcalf, Chumbley, Matsunaga, Kanno, Levin and Slom,
Managers on the part of the Senate.
(Senator Levin did not concur.)

Conf. Com. Rep. 76 on H.B. No. 1099

The purpose of this bill is to repeal Chapter 457G, Hawaii Revised Statutes (HRS), and create a new chapter that requires registration of occupational therapists (OT).

Your Committee on Conference has amended this measure by deleting its substance and inserting language to:

- (1) Amend Chapter 457G-1, HRS, to institute a registration system for OTs;
- (2) Clarify that Chapter 457G, HRS, does not apply to occupational therapy assistants;
- (3) Add the new regulatory program to the sunset schedule in Section 26H-4(b), HRS, which would:
- (A) Repeal the program on December 31, 2003; and
- (B) Require the State Auditor to perform a sunset evaluation prior to repeal reporting on whether the program should be reenacted, modified, or permitted to expire;

and

- (4) Effectuate this Act on January 1, 1999.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1099, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1099, H.D. 2, S.D. 1, C.D. 1.

Representatives Santiago, Menor, Tom, Yamane and Ward,
Managers on the part of the House.

Senators D. Ige, Metcalf and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 77 on H.B. No. 2843

The purpose of this bill is to:

- (1) Extend the sunset date for the Drug Demand Reduction Assessment (DDRA) Special Fund from June 30, 1998, to June 30, 2001;

(2) Add offenses pertaining to driving under the influence (DUI) of alcohol or drugs and fraudulent acquisition or possession of controlled substances to the offenses for which a DDRA may be imposed by the court; and

(3) Mandate substance abuse treatment for repeat criminal offenders.

Your Committee on Conference has amended this measure by:

(1) Deleting provisions of DUI and fraudulent acquisition or possession of controlled substances to the offenses for which a DDRA may be imposed by the court;

(2) Making the pursuit of federal funding and programs to implement the assessment and treatment services mandated by the new chapter:

(A) Discretionary rather than mandatory; and

(B) Contingent upon the receipt of sufficient funds;

(3) Adding a severability clause for any part found to be in conflict with federal requirements for the allocation of federal funds; and

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2843, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2843, H.D. 1, S.D. 2, C.D. 1.

Representatives Santiago, Tom, Garcia, Hiraki, Kahikina, Kawanakoa and Pendleton,
Managers on the part of the House.

Senators Levin, Fernandes Salling, Chumbley, Matsunaga and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 78 on H.B. No. 2852

The purpose of this bill is to reduce the barriers to and expand the use of telehealth by removing the requirement of a face-to-face examination as a prerequisite for payments from health care plans.

Specifically, as of July 1, 1998, this bill prohibits all accident and sickness insurance, mutual benefit society, and health maintenance organization plans that are issued, amended, or renewed, from requiring face-to-face contact between a health care provider and a patient as a prerequisite for payment of services provided through telehealth.

Your Committee on Conference has amended this bill by:

(1) Replacing the term "medical" practices and standards with "health care" practices and standards because "medical" is too limiting to address the broader scope of telehealth;

(2) Specifying that coverage required under Accident and Sickness Insurance Contracts, Mutual Benefit Societies, and Health Maintenance Organizations may be subject to terms and conditions of the plan agreed upon among the enrollee or subscriber, the mutual benefit society, and the provider instead of between the enrollee or subscriber and the insurer with provider input;

(3) Further clarifying that telehealth should be available to all health care providers;

(4) Excluding standard telephone, facsimile transmissions, or both in the absence of other integrated information and data, from telehealth services; and

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2852, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2852, H.D. 2, S.D. 2, C.D. 1.

Representatives Santiago, Menor, Lee, Saiki, and Aiona,
Managers on the part of the House.

Senators Fernandes Salling, Levin, Metcalf, D. Ige, Baker, Fukunaga, Chun Oakland and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 79 on H.B. No. 3528

The purpose of this bill, as received by your Committee, is to provide employers with qualified immunity for disclosure and any consequences of such disclosure for truthful, fair, and unbiased information about a current or former employee's job performance.

Upon further consideration, your Committee on Conference agreed to amend this measure by deleting its language and inserting language to allow employers to inquire about and consider an individual's criminal conviction record with regards to hiring, terminating, or the terms, conditions, or privileges of employment.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3528, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3528, H.D. 1, S.D. 2, C.D. 1.

Representatives Yonamine, Tom, Nakasone, Yamane and Marumoto,
Managers on the part of the House.

Senators Kanno, Chun Oakland, Chumbley, Matsunaga, Ihara, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 80 on H.B. No. 2666

The purpose of this bill is to address the issue of domestic violence in a comprehensive approach, including:

- (1) Amending the laws dealing with the seizure of firearms in domestic violence situations;
- (2) Making the third offense of abuse of family or household member within two years of the second conviction a felony;
- (3) Adding persons who have a child in common and persons with a dating relationship to the definition of "family and household member;"
- (4) Repealing the use of deferred acceptance of guilty and deferred acceptance of nolo contendere pleas for violations of orders issued under chapter 586 and section 580-10(d)(1);
- (5) Allowing for the extension of protective orders for up to 6 years and mandating a minimum length of 30 days;
- (6) Deleting the word "recent" from the laws governing the issuance of temporary restraining orders and twenty-four hour warnings;
- (7) Imposing mandatory fines for temporary restraining order violations and providing that such fines shall be deposited into the spouse and child abuse special account;
- (8) Changing the terms "cooling off period" and "domestic violence treatment and counseling" to "period of safety" and "domestic violence intervention," respectively; and
- (9) Requiring that defendants convicted of violations of temporary restraining orders and abuse of family or household member be immediately incarcerated.

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

- (1) Removing the amendments to sections 134-7.5 and 709-906, relating to the seizure of firearms in domestic violence situations;
- (2) Not extending the definition of "family and household member" in sections 586-1 and 709-906 to include persons who have a dating relationship;
- (3) Providing that the mandatory fines for temporary restraining order violations shall range from \$150 to \$500 for the first offense and \$250 to \$1000 for subsequent offenses, and including a provision allowing the court the discretion not to impose such fines if the defendant is or will be able to pay the fine;
- (4) Clarifying that although the court shall order that a defendant be immediately incarcerated upon conviction for violation of a temporary restraining order or abuse of family or household member, this amendment does not affect the defendant's right to bail pending appeal pursuant to chapter 804, and that the court, upon a finding of special circumstances may stay the imposition of the jail term;
- (5) Deleting the requirement that persons ordered to undergo domestic violence intervention provide adequate proof of compliance;
- (6) Including an amendment to section 706-623 to allow for a 2 year sentence of probation for domestic violence convictions;
- (7) Changing the term "period of safety" to "period of separation" so that victims of abuse are not led to believe that they are safe from further abuse;
- (8) Removing violations of orders issued pursuant to section 580-10(d)(1) from section 853-4, since temporary restraining orders issued in divorce cases may not involve allegations of domestic abuse;
- (9) Amending section 586-5.5 to allow for the unlimited extension of protective orders;
- (10) Deleting the unnecessary and potentially confusing phrase "and shall be subject to a term of imprisonment and fines pursuant to chapter 706" from section 709-906(6); and

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2666, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2666, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Yamane, Lee, Yoshinaga and Thielen,
Managers on the part of the House.

Senators Matsunaga, Chumbley, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 81 on H.B. No. 2355

The purpose of this bill is to address the problem of trespassing by allowing owners or lessees of property or police officers to issue written orders requiring trespassers not to return to any commercial premises or other private property for a period not exceeding one year.

In *State v. Sadler*, 80 Haw. 372, 375 (1996), the Hawaii Intermediate Court of Appeals held that the offense of criminal trespass in the second degree under section 708-814(1)(b), Hawaii Revised Statutes (HRS), "contemplates a warning or request contemporaneous with a person entering or remaining unlawfully on the premises." Thus, in order to convict a person for criminal trespass in the second degree, the person must refuse a warning or request to leave that is made contemporaneously with the person's entering or remaining on the premises.

Your Committee on Conference finds that under the court's interpretation of the current law, as long as a trespasser leaves the premises immediately upon being ordered to do so, the trespasser can return that same day with no fear of arrest. This interpretation is burdensome on commercial establishments because owners and operators are unable to meaningfully evict trespassers who may interfere with business and commit property crimes.

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

- (1) Amending subsection (1)(c)(ii) of section 708-814, HRS, to provide that the physical description of the trespasser may include sex, racial extraction, age, height, weight, hair color, eye color, or any other distinguishing characteristics;
- (2) Clarifying that the signature of the witness or police officer who was present when the warning was given is preferred and should not be contingent on the ability to obtain such signature; and
- (3) Making technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2355, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2355, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Case, Jones, Yamane and Pendleton,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Ihara and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 82 on H.B. No. 2357

The purpose of this bill is to authorize heads of state departments to obtain aid and cooperation from counties for joint projects and to protect counties from liability for their participation in any state project, program, or operation.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to clarify that the intent of this measure is to authorize state departments to indemnify and defend the counties from actions arising from the counties' participation in joint state and county projects;
- (2) Placing the authority of the State to agree to indemnify, defend, and hold harmless county agencies in Chapter 661, Hawaii Revised Statutes (HRS);
- (3) Clarifying that the State may agree to indemnify, defend, and hold harmless a county agency, its officers, agents, and employees when:
 - (a) The county requests the State to indemnify it;
 - (b) The Governor approves the State's proposed indemnification; and
 - (c) The Comptroller has obtained insurance sufficient to cover liability or has determined that it is not in the best interest of the State to obtain insurance;
- (4) Clarifying that an indemnity provision not in strict compliance with the language contained in this measure shall not give rise to a claim against the State or otherwise waive the State's sovereign immunity;

- (5) Clarifying that the measure shall apply to all joint State and county projects, including those projects which are in operation on the effective date of this measure;
- (6) Amending section 41D-8.5, HRS, to authorize the Comptroller to obtain insurance to cover liability which may arise from such indemnity provisions;
- (7) Amending section 662-16, HRS, to authorize the Attorney General to defend a county in any civil action or proceeding when contractually obligated under this measure; and
- (8) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2357, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2357, H.D. 2, S.D. 1, C.D. 1.

Representatives Tom, White, Cachola, Hamakawa and Whalen,
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Chumbley, Matsunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 83 on H.B. No. 2381

The purpose of this bill is to create a new class C felony offense of street solicitation of prostitution and to provide persons injured as a result of being coerced into prostitution a civil cause of action for damages.

Your Committee on Conference finds that a more effective solution to the problem of prostitution in Waikiki is to require that as a mandatory condition of probation and bail, defendants should be required to observe geographic restrictions prohibiting them from entering or walking on the public streets or sidewalks of Waikiki during the hours from 6 p.m. to 6 a.m. Defendants that live in Waikiki and choose to remain in Waikiki during the prohibited hours should be required to stay off the streets and sidewalks during those hours. Your Committee on Conference believes that although the restriction covers a large physical space, it is narrowly tailored to cover only the hours most closely associated with the crime. Additionally, the restriction is sufficiently definite to provide adequate notice of the behavior that is prohibited.

Your Committee on Conference further finds that providing for a civil action against pimps might not fit under the title of this bill, which relates to crime. Furthermore, your Committee on Conference is concerned that creating such a cause of action might open a "Pandora's box" allowing similar causes of action for other kinds of relationships. Your Committee on Conference believes that there are sufficient civil remedies presently available to those persons injured as a result of being coerced into prostitution.

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

- (1) Amending section 1 of the bill to clarify that the purpose of this bill, rather than to elevate the offense to a class C felony, is to impose geographic restrictions on persons convicted of street solicitation of prostitution;
- (2) Removing the substantive provisions of section 2 of the bill, relating to the new offense of street solicitation of prostitution, and replacing them with the provisions of section 2 of the H.D. 1 of this bill;
- (3) Inserting a provision in section 2 of the bill which allows the counties to enact ordinances regulating street solicitation that shall supersede the provisions of this section;
- (4) Removing section 3 of the bill, which creates a new civil cause of action for coercion into prostitution; and
- (5) Making other technical, nonsubstantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2381, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2381, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Garcia, Yamane and Whalen,
Managers on the part of the House.

Senators Matsunaga, Chumbley, Ihara and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 84 on H.B. No. 2496

The purpose of this measure is to enhance indigent legal services by improving the administration of the indigent legal assistance fund by:

- (1) Requiring that all funds, except for administrative fees, collected for the indigent legal assistance fund be obligated or expended during the fiscal year immediately following the fiscal year in which the funds are collected;
- (2) Changing the administration of the fund from the Office of Community Services to the Administrative Director of the Courts;

(3) Requiring the Commission on Access to Justice to annually review the filing fee surcharge program and report to the Legislature each year; and

(4) Making Act 305, Session Laws of Hawaii 1996, permanent by removing its repeal date of June 30, 1999.

Your Committee on Conference has amended this measure by:

(1) Extending the sunset date for surcharges on circuit court filings for indigent legal services from June 30, 1999 to June 30, 2002;

(2) Removing the requirement that all funds, except for administrative fees, collected for the indigent legal assistance fund be obligated or expended during the fiscal year immediately following the fiscal year in which the funds are collected; and

(3) Setting a repeal date of June 30, 2002, for Act 305, Session Laws of Hawaii 1996.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2496, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2496, H.D. 2, S.D. 1, C.D. 1.

Representatives Tom, White, Abinsay, Lee and Pendleton,
Managers on the part of the House.

Senators Chun Oakland, Kanno, Chumbley, Matsunaga, Baker, Fukunaga, Bunda, Metcalf and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 85 on H.B. No. 2524

The purpose of this bill is to extend up to one hundred twenty days, the period in which to call a general, special general, or special election.

Your Committee on Conference has amended this measure by making a technical change to incorporate the provisions of Act 22 which became effective on April 15, 1998, that amended the same subsection of the Hawaii Revised Statutes by adding runoff elections.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2524, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2524, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Herkes, Yamane, Yoshinaga and Whalen,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Ihara and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 86 on H.B. No. 2613

The purpose of this measure is to amend the Hawaii Revised Statutes to replace references to county boards of supervisors with references to the council of each county.

Your Committee on Conference has amended this bill by making a technical, nonsubstantive amendment for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2613, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2613, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Case, Yamane and Pendleton,
Managers on the part of the House.

Senators Sakamoto, Kawamoto and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 87 on H.B. No. 2667

The purpose of this measure is to protect pet animals in Hawaii from neglect by defining minimum standards of care and providing that depriving pet animals of necessary sustenance constitutes the crime of cruelty to animals.

Your Committee on Conference finds that pet animals deserve at least the minimum care of food, water, and protection from the elements. This measure establishes guidelines and enforcement tools to be used to prevent the neglect and abuse of these animals.

Upon further consideration, your Committee on Conference has amended this measure by adding a provision to include access to protection from wind, rain, or sun to the definition of "necessary sustenance."

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2667, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2667, H.D. 1, S.D. 1, C.D. 1.

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

Senators Chumbley, Matsunaga, Bunda, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 88 on H.B. No. 2734

The purpose of this bill is to require motor vehicles in all lanes, regardless of traffic direction, to stop at least twenty feet from a stopped school bus until the bus resumes motion and its visual signals are turned off and to establish a penalty of \$500 for overtaking and passing such a stopped school bus.

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

(1) Clarifying that where a highway or road in a residential area has been divided into two or more lanes by an intervening space, a physical barrier, or a clearly indicated dividing section, all drivers of motor vehicles in all lanes on the same side as a school bus which is stopped with its visual signals actuated shall stop not less than twenty feet from the school bus;

(2) Providing that a violator can be fined not more than \$500 or sentenced to perform community service or both for any violation of section 291C-95; and

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2734, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2734, S.D. 1, C.D. 1.

Representatives Tom, Hiraki, Jones, Yamane and Thielen,
Managers on the part of the House.

Senators Kawamoto, Sakamoto and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 89 on H.B. No. 2776

The purpose of this bill is to allow victims of crime to enforce a criminal restitution order in the same manner as a civil judgment. In addition, this bill allows the court to order restitution to be paid to the Criminal Injuries Compensation Commission (CICC) if the victim has been awarded compensation by the CICC.

This bill allows victims of crime to enforce a criminal restitution order in the same manner as a civil judgment. Under current law, the court may require a defendant to pay restitution for the losses caused to the victim. Collection of this restitution is left to governmental entities like the Judiciary, Public Safety, and Paroling Authority, which often are able to collect only a small fraction of the amount.

There are few other options. Although the CICC helps victims by providing some compensation, victims of property crimes and some violent crimes are not eligible for any compensation from the CICC. And although a victim may bring a civil action against the defendant, this process is costly and time consuming.

Therefore, your Committee on Conference believes that victims should have a "fast track" ability to be compensated for their losses by allowing them to enforce the criminal restitution order as a civil judgment, using all of the civil collection remedies.

Your Committee on Conference has amended this bill by:

(1) Removing the purpose and findings section of the bill;

(2) Reinserting the word "fully" in section (3) of the new section 706- (Victim Restitution), so that restitution shall be a dollar amount sufficient to reimburse any victim fully for losses;

(3) Removing the express requirement that the victim file the certified or exemplified copy of the restitution order in the court, thereby allowing anyone to file the order;

(4) Clarifying that the order may be an independent order, part of a judgment and sentence, or a condition of probation or deferred plea;

(5) Removing the provisions that require the victim or victim's attorney to:

(a) File an affidavit with the court setting forth the name and address of the defendant;

(b) Present for signature to the clerk of the court a notice of filing of the order; and

- (c) Mail notice of the filing to the defendant or defendant's attorney and file proof of mailing with the clerk of the court.
- (6) Deleting the provision allowing the victim or victim's attorney to transmit the notice of filing of the order through the State; and
- (7) Making technical, nonsubstantive changes for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2776, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2776, H.D. 1, S.D. 2, C.D. 1.

Representatives Tom, Jones, Lee, Yamane and Whalen,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Fukunaga, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 90 on H.B. No. 2779

The purpose of this measure is to:

(1) Conform the Hawaii Uniform Interstate Family Support Act, Chapter 576B, Hawaii Revised Statutes (HRS), with the July 1996 amendments made to the Uniform Interstate Family Support Act recommended by the National Conference of Commissioners on Uniform State Laws; and

(2) Clarify that the service of notice requirements shall also apply to procedures to contest validity or enforcement of a registered order under section 576B-606, HRS.

Your Committee on Conference has amended this measure by making a technical change to the language contained in the measure to reflect the current language contained in the Hawaii Revised Statutes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2779, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2779, S.D. 1, C.D. 1.

Representatives Tom, Hiraki, Lee, Yamane and Pendleton,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Ihara, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 91 on H.B. No. 2846

The purpose of this bill is to increase the fines for selling tobacco to minors or failing to post a sign on any vending machine stating that the sale of tobacco products to persons under eighteen is prohibited.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2846, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2846, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Say, Herkes, Jones, Yamane, Fox and Whalen,
Managers on the part of the House.

Senators Matsunaga, Chumbley, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 92 on H.B. No. 2872

The purpose of this measure is to:

- (1) Require fire and safety inspections by the county fire chief at all public schools at least once each year;
- (2) Require fire and safety inspections every two years at all facilities, other than public schools, under the jurisdiction of the county fire chief; and
- (3) Require the State to conduct fire and safety inspections of all airport facilities at least once a year.

Your Committee on Conference has amended this measure to clarify that the State's duty to conduct fire and safety inspections at airport facilities shall be limited to State owned airport facilities.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2872, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2872, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, White, Abinsay, Yamane and Fox,
Managers on the part of the House.

Senators Kawamoto, Sakamoto and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 93 on H.B. No. 2932

The purpose of this bill is to amend the nuisance abatement law by:

- (1) Prohibiting any action against the State or counties;
- (2) Allowing evidence of a person's general reputation to be introduced to prove the existence of a nuisance; and
- (3) Specifically allowing injunctions against entering or residing in any public or private building, premises, or place to issue against the person causing the nuisance.

Your Committee on Conference has amended this measure to provide that no actions authorized under part V of chapter 712 which seek to abate or prevent a nuisance shall be filed or maintained against the State or any political subdivision thereof.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2932, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2932, S.D. 1, C.D. 1.

Representatives Tom, Jones, Lee, Yamane and Whalen,
Managers on the part of the House.

Senators Matsunaga, Chumbley, Ihara and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 94 on H.B. No. 2992

The purpose of this bill is to enable the notaries public program to become self-sufficient by increasing notary commission fees and by establishing a Notaries Public Revolving Fund.

The Attorney General presently maintains the notaries public filing system for approximately 7,000 notaries public using index cards. The Attorney General wants to convert this system to computer. To accomplish this goal, the Attorney General would like to raise the notary public fees, which have not been raised since 1976, and create a revolving fund to be administered by the department of the attorney general.

Your Committee on Conference has amended this bill by:

- (1) Providing that the failure by a notary public to renew a commission in a timely manner may cause the commission to be forfeited if the Attorney General finds that the failure was done knowingly; and
- (2) Removing the amendment to section 456-8, Hawaii Revised Statutes, allowing the Attorney General to prescribe rules governing the qualifications of notaries public, renewal requirements, and disciplinary actions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2992, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2992, H.D. 2, S.D. 1, C.D. 1.

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

Senators Matsunaga, Chumbley, Baker, Fukunaga, Bunda and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 95 on H.B. No. 3010

The purpose of this bill is to cede the State of Hawaii's concurrent jurisdiction over land and improvements which the United States Department of Justice acquires, leases, occupies, or controls within the State of Hawaii.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3010, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3010, S.D. 2, C.D. 1.

Representatives Tom, Case, Jones, Yamane and Whalen,
Managers on the part of the House.

Senators Matsunaga, Chumbley, Bunda, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 96 on H.B. No. 3065

The purpose of this bill is to reduce the loss of cigarette tax revenue to the State from the illegal sale of untaxed cigarettes by:

- (1) Requiring that each package of cigarettes sold within the State be identified with a tax stamp;
- (2) Permitting the Department of Taxation (DOT) to allow designated financial institutions to sell stamps and to adopt rules if necessary;
- (3) Making the DOT responsible for furnishing stamps to wholesalers and dealers;
- (4) Providing deferred-payment procedures for purchase of stamps which includes flexible financial security requirements;
- (5) Imposing penalties for violations;
- (6) Providing for confiscation, forfeiture, and sale of cigarettes found under circumstances which violate the new part;
- (7) Permitting the county police department that conducts the investigations which lead to conviction or confiscation and sale of contraband cigarettes, to receive 30 percent of the proceeds, fines, and penalties collected; and
- (8) Adding violations for sale or purchase of unstamped cigarettes by wholesalers, dealers, and vending machine operators after September 1, 1998, and January 1, 1999, respectively.

This bill also:

(1) Amends the income tax credit for motion picture and television film production to clarify where the credit applies to transient accommodations costs; and

(2) Adds definitions for "benefits", "labor costs", and "production costs."

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

- (1) Deferring the cigarette tax increase of \$0.20 per package until after December 31, 1998; and
- (2) Making technical changes for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3065, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3065, H.D. 2, S.D. 2, C.D. 1.

Representatives Tom, Say, Suzuki, Yamane and Whalen,
Managers on the part of the House.

Senators Levin, Fernandes Salling, Baker, Fukunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 97 on H.B. No. 3192

The purpose of this bill is to conform state statutes with the Federal Personal Responsibility and Work Opportunity Act of 1996 and the Welfare Reform Technical Corrections Act of 1997.

Your Committee on Conference finds that pursuant to section 576E-2, Hawaii Revised Statutes (HRS), the Attorney General, through the Child Support Enforcement Agency and the Office of Child Support Hearings, has concurrent jurisdiction with the court in all proceedings in which a support obligation is established, modified, or enforced. Accordingly, your Committee on Conference recommends amending section 231-52, HRS, to clarify that administrative-ordered payments for support, as well as court-ordered payments, are covered by this section.

Further, your Committee on Conference believes that amending the definitions of "order of support" in sections 576D-1 and 576E-1, HRS, to make them consistent with the definition of "child support" in those same sections promotes clarity and avoids ambiguity. These definitions, as amended, would track federal law.

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

- (1) Amending the definitions of "debt" and "debtor" in section 231-52, Hawaii Revised Statutes, to include administrative-ordered payments for child support;
- (2) Amending the definition of "order of support" in sections 576D-1, HRS, to include medical support when the debtor parent is ordered to pay an amount in lieu of providing medical insurance coverage or to reimburse for maternity and delivery expenses incurred when the debtor parent's child was born;
- (3) Amending the definition of "order of support" in section 576E-1, HRS, to conform with the definition in 576D-1, HRS; and
- (4) Making technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3192, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3192, H.D. 1, S.D. 1, C.D. 1.

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

Senators Matsunaga, Chumbley, Fukunaga, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 98 on H.B. No. 3553

The purpose of this bill is to authorize forfeiture of a person's property if the person is caught breaking into a motor vehicle.

Your Committee on Conference finds that forfeiture of property has proven to be a successful deterrent to criminal activity. Including unauthorized entry into a motor vehicle (UEMV) as one of the offenses under section 712A-4, Hawaii Revised Statutes (HRS), should provide an effective deterrent to this class C felony. Because this offense includes the elements of theft, criminal property damage, and burglary, which are already covered by the forfeiture law, your Committee finds that UEMV should also be covered.

Upon further consideration, your Committee on Conference has amended this bill by removing the proposed amendment to section 708-836.5, HRS. Your Committee believes that adding a cross-reference to the forfeiture law, section 712A-4, HRS to the UEMV law, section 708-836.5, HRS may be confusing since such cross-references do not exist for the other covered offenses.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3553, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3553, S.D. 1, C.D. 1.

Representatives Tom, Herkes, Jones, Yamane and Whalen,
Managers on the part of the House.

Senators Matsunaga, Chumbley, Ihara, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 99 on H.B. No. 1868

The purpose of this bill is to make substantive and technical amendments to the laws relating to the Hawaii Hurricane Relief Fund (Fund). These amendments include:

- (1) Authorizing coverage under the Fund for structures in addition to residences;
- (2) Authorizing an assessment on the Hawaii Employers' Mutual Insurance Company (HEMIC) by including HEMIC within the definition of "licensed property and casualty insurer";
- (3) Removing the two-year limitation on an individual contract for services;
- (4) Authorizing the Fund to establish maximum limits on or a uniform reduction of the special mortgage recording fee;
- (5) Authorizing the Fund to impose fines, not to exceed twenty-five percent of the amount due, for each instance of nonpayment of amounts due to the Fund;
- (6) Limiting the Fund's coverage to comparable coverage for fire and windstorm under a companion policy;
- (7) Establishing a one-year statute of limitations for actions under a policy of hurricane property insurance;
- (8) Clarifying the provisions providing immunity and limitations on liability for insurance agents; and
- (9) Authorizing the Fund to establish a lower special mortgage recording fee than that required under the statutory formula.

Your Committee on Conference has amended this bill by deleting the provision that amends the definition of "licensed property and casualty insurer" to include the Hawaii Employers' Mutual Insurance Company.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1868, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1868, H.D. 2, S.D. 2, C.D. 1.

Representatives Menor, Say, Cachola, Hamakawa and Lee,
Managers on the part of the House.

Senators D. Ige, Metcalf, Baker, Levin, Solomon and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 100 on H.B. No. 2998

The purpose of this bill is to create a temporary, independent, fifteen-member Maritime Authority Commission to examine the relevant issues and details regarding Hawaii's maritime lands and facilities and to recommend its findings prior to the 1999 Legislature.

Your Committee finds that creating a temporary Hawaii Maritime Commission to recommend the exact form and details of the establishment of a Hawaii Maritime Authority will allow the planning and development of maritime lands and waters to be carried out more efficiently, facilitate timely decision-making, and improve services to users.

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

- (1) Amending section 2, page 5, lines 14-15, to read: "(c) The director of transportation, or designee, shall act as chairperson of the commission";
- (2) Amending section 2, page 5, lines 18-19, to read: "In its deliberations, the commission shall use a collaborative decision-making process";
- (3) Amending section 2, page 5, line 23 through page 6, line 2, to read: "(d) The department of transportation shall provide all necessary support services to facilitate the work of the commission"; and
- (4) Making a technical, non-substantive change.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2998, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2998, H.D. 2, S.D. 2, C.D. 1.

Representatives Hiraki, Hamakawa, Tarnas, Say and Marumoto,
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Iwase, Taniguchi, Baker, Fukunaga and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 101 on H.B. No. 2366

The purpose of this bill is to:

- (1) Authorize the Department of Transportation to implement a water ferry transportation system;
- (2) Authorize the Departments of Transportation and Land and Natural Resources to waive or assess nominal fees for the use of public infrastructure and terminals by the operator of the system and lease public lands at a nominal cost to the operator of the system;
- (3) Authorize the Department of Transportation to conduct a water ferry system demonstration project; and
- (4) Establish a ferry project special fund for commercial revenues and fares collected by the operators of the system.

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

- (1) Replacing "water ferry transportation system" with "intra-island water ferry transportation system" wherever it appears;
- (2) Deleting the paragraphs that deal with the integration of the people mover system and the inter-island water ferry transportation system;
- (3) Replacing the language in Section 3 to read, "SECTION 3. The department of transportation may conduct an intra-island water ferry transportation system demonstration project which shall be exempt from the statutory provisions of chapters 103D and 271G, Hawaii Revised Statutes. The department may transition the demonstration project into a permanent intra-island water ferry transportation system. The exemptions from chapters 103D and 271G, Hawaii Revised Statutes shall not apply to the permanent intra-island water ferry transportation system";
- (4) Replacing the language in Section 4 to read, "There is established in the state treasury the ferry project special fund, into which shall be deposited revenues collected by the operators of the intra-island water ferry transportation system. Moneys in the ferry project special fund shall be used to offset costs incurred by the intra-island water ferry transportation system or demonstration project, or both; provided that no expenditure shall be made from, and no obligation shall be incurred against the fund in excess of its deposits. Moneys in the fund shall be expended by the department of transportation"; and
- (5) Making technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2366, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2366, H.D. 2, S.D. 2, C.D. 1.

Representatives Hiraki, Cachola, Say, Takumi and Aiona,
Managers on the part of the House.

Senators Kawamoto, Sakamoto, Baker, Fukunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 102 on H.B. No. 3468

The purpose of this bill is to facilitate open communication between the Hawaii Health Systems Corporation (Corporation) board of directors (board) and the five divisions or local regions of the Corporation, by creating the Executive Public Health Facility Management Advisory Committee (Executive MAC). This bill also lengthens by one year the transitional period during which the Corporation must enter into property agreements with the State and can continue to receive without charge the services that state agencies formerly provided to the Division of Community Hospitals.

Your Committee on Conference finds that there is widespread dissatisfaction among rural communities on the neighbor islands in that they do not have sufficient input into the decisions made by the Corporation board. Furthermore, the current board appointment process has only strengthened the frustration felt by regional advisory committees who feel that their voices are not being heard at corporate headquarters in Honolulu.

Due to the vital role that public health facilities play in the delivery of health care services to the State's rural populations, especially those on the neighbor islands, your Committee on Conference believes that the affected communities should have a direct say in corporate decision-making. Also, your Committee on Conference finds that physicians on active status in these facilities should participate in matters having a direct impact on their working environment.

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

- (1) Specifying that the Executive MAC will represent the interests of all regional MACs on the corporation board through the selection of a chairperson to serve as an ex-officio voting member of the corporation board;
- (2) Requiring the Executive MAC to appoint a physician with active medical staff privileges at one of the Corporations's public health facilities on the neighbor islands to serve as a voting member of the Corporation board;
- (3) Eliminating two at-large board members appointed by the Governor whose terms expire on June 30, 1998, thereby reducing from twelve to ten the total number of board members appointed by the Governor;
- (4) Stipulating that the chair of the Executive MAC and the regional physician member cannot be removed by the Corporation board;
- (5) Removing from the Corporation's chief executive officer the power to appoint regional MAC members and transferring this power to the Executive MAC; and
- (6) Specifying the procedures by which regional committees may remove their chairpersons and physician members from the Executive MAC or the Corporation board.

Your Committee on Conference has also amended this measure by inserting language to:

- (1) Exempt meetings of the Corporation from the open meetings law for peer review and credentialing;
- (2) Statutorily authorize the Corporation to authorize and establish positions;
- (3) Allow the Corporation to have flexibility and autonomy for position control management;
- (4) Allow the Corporation to negotiate specific terms and conditions of employment with the applicable exclusive bargaining representatives through a memorandum of agreement;
- (5) Require the Corporation to establish a working group to identify and describe the liabilities assumed by the Corporation as of the transfer date and to report and make recommendations to the Legislature; and
- (6) Require the Corporation to further report to the Legislature regarding the identification of all delinquent accounts owed to the Corporation that were handled by the Corporation and the disposition of those accounts.

Your Committee on Conference has also made technical, non-substantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3468, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3468, H.D. 2, S.D. 2, C.D. 1.

Representatives Santiago, Kawakami, Nakasone, Saiki and Ward,
Managers on the part of the House.

Senators Fernandes Salling, Levin, Baker, Fukunaga, and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 103 on H.B. No. 2486

The purpose of this bill is to regulate the profession of marriage and family therapists.

Your Committee on Conference finds that the regulation of marriage and family therapists is necessary to protect the public from persons who profess to be marriage and family therapists but lack the necessary skills and training. Your Committee on Conference further finds that regulating the profession of marriage and family therapists will also make therapy insurance reimbursable, thereby giving more persons who are in need of therapy the opportunity to seek therapy.

Your Committee on Conference has amended this measure by:

- (1) Providing an exception that the initial members of the Advisory Committee of Marriage and Family Therapists who are marriage and family therapists do not need to be licensed;
- (2) Providing that no person, unless the person is licensed as a marriage and family therapist, shall use the title of marriage and family therapist;
- (3) Changing the effective date of the Act from July 1, 1998 to upon approval; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2486, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2486, H.D. 3, S.D. 2, C.D. 1.

Representatives Arakaki, Santiago, Menor, Tom, Kawakami, Aiona and McDermott,
Managers on the part of the House.
(Representative McDermott did not concur.)

Senators D. Ige, Metcalf, Baker and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 104 on H.B. No. 3024

The purpose of this bill is to:

- (1) Remove the sunset provisions from the revisions to the public assistance and general assistance laws enacted in 1996 and 1997;
- (2) Broaden and restructure the general assistance advisory council as the financial assistance advisory council;
- (3) Permit the Department of Human Services (DHS) to establish a food stamp program for persons ineligible for federal food stamps; and
- (4) Permit DHS to set the standard of need on a year-by-year basis based upon the total amount appropriated for public assistance and general assistance.

Your Committee on Conference finds that Hawaii's families must be ensured a basic standard of need. To this end, this bill strengthens the general assistance and financial assistance programs by making permanent certain amendments to the general assistance and financial assistance laws so that the State can continue to receive federal funds. This bill also creates the financial assistance advisory council to render advice and information to DHS regarding the financial assistance programs.

Your Committee on Conference further finds that increasing the hours individuals on general assistance can work will encourage them to overcome their disability and become self-sufficient. The determination of eligibility, however, should not be subject to the open meeting requirements.

Your Committee on Conference further finds that recent federal legislation barred legal immigrants from receiving federal food stamp benefits. Congress, however, is currently considering restoring food stamp benefits to legal immigrants. Your Committee on Conference supports restoration of benefits at the federal level, and feels that establishing a State program would be premature while Congress considers such restoration. If, however, Congress fails to restore food stamp benefits for legal immigrants, your Committee on Conference is committed to providing such benefits if funds are available.

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

- (1) Deleting the provision permitting DHS to set the standard of need on a year-by-year basis;
- (2) Deleting the provision permitting DHS to establish a food stamp program for individuals who are ineligible for federal food stamp benefits;
- (3) Exempting the boards that determine disabilities from the open meetings requirements of Chapter 92, Part I, Hawaii Revised Statutes; and
- (4) Amending the definition of "substantial gainful employment" to mean thirty hours rather than twenty hours of work per week.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3024, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3024, S.D. 1, C.D. 1.

Representatives Arakaki, Say, Kawakami, Santiago and Ward,
Managers on the part of the House.

Senators Chun Oakland, Kanno, Baker and Metcalf,
Managers on the part of the Senate.

Conf. Com. Rep. 105 on H.B. No. 3028

Your Committee on Conference has amended the bill by:

- (1) Correcting a typographical error in the statutory cite to the federal Medicaid Home and Community-Based Services Programs; and
- (2) Making other technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3028, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3028, H.D. 1, S.D. 2, C.D. 1.

Representatives Arakaki, Kawakami, Abinsay, Stegmaier and Ward,
Managers on the part of the House.

Senators Chun Oakland, Kanno, Baker, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 106 on H.B. No. 1332

The purpose of this bill is to require the Department of Agriculture to prepare a state agricultural water use and development plan for agricultural uses in the State in accordance with the State Water Code and the laws relating to irrigation water development.

Your Committee upon further consideration has amended this measure by:

- (1) Requiring the state agricultural water use and development plan to include a master irrigation inventory plan; and
- (2) Requiring the Chairperson of the Board of Agriculture to submit the state agricultural water use and development plan to the Legislature twenty days prior to the convening of the Regular Session of 2000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1332, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1332, H.D. 2, S.D. 2, C.D. 1.

Representatives Jones, Hamakawa, Say, Abinsay and Fox,
Managers on the part of the House.

Senators Taniguchi, Iwase, Baker, Fukunaga, Ihara, Kawamoto, McCartney, Tanaka and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 107 on H.B. No. 2842

The purpose of this bill is to eliminate certain statutory responsibilities of the Director of Health (Director).

Specifically, this bill:

- (1) Repeals the requirement that the Director convene a committee every odd-numbered year to review determination of deaths; and
- (2) Amends the Director's litter control responsibilities to make certain duties discretionary.

Your Committee on Conference has amended this measure by:

- (1) Making the requirement that the Director convene a determination of death committee every odd-numbered year discretionary rather than mandatory; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2842, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2842, H.D. 1, S.D. 1, C.D. 1.

Representatives Santiago, Kawakami, Ahu Isa, Saiki and McDermott,
Managers on the part of the House.

Senators Fernandes Salling, Levin, Baker, Fukunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 108 on H.B. No. 2862

The purpose of this bill is to ensure that adequate services are provided to developmentally disabled persons by:

- (1) Extending to June 30, 1999, the deadline for the State to establish necessary community-based programs for the proper transition of former residents of Waimano Training School and Hospital (Waimano) into the community; and
- (2) Recognizing the principles of consumer choice for self-determination for the developmentally disabled.

Your Committee on Conference believes that extending the closure date of Waimano to June 30, 1999, will ensure that inappropriate and inadequate supports for former Waimano residents will not be hastily established as a compromise for meeting the existing deadline.

Your Committee on Conference has amended this measure by:

- (1) Mandating the Department of Health (DOH) to administer, or authorizing DOH to provide, available supports and services based on a client-center plan;
- (2) Deleting provisions specifying programs and services DOH is mandated or authorized to provide to ensure the proper transition into the community;
- (3) Deleting the amendment to Section 23 of Act 189, Session Laws of Hawaii 1995, thereby ceasing the Director of Health's guardianship for these individuals on June 30, 1998; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2862, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2862, H.D. 2, S.D. 2, C.D. 1.

Representatives Santiago, Kawakami, Ito, Kahikina and McDermott,
Managers on the part of the House.

Senators Levin, Fernandes Salling, Baker, Fukunaga, Chun Oakland, Ihara and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 109 on H.B. No. 2714

The purpose of this bill is to require the Judiciary to keep a separate record of all uncollectible delinquent fines and restitution.

This bill would allow the Judiciary, after two years, to write off, for accounting purposes only, delinquent fines and restitution that are determined to be uncollectible. This would allow the Judiciary to focus on current outstanding fines and restitution that are more likely to be paid.

Your Committee on Conference has amended this bill by:

- (1) Requiring the Judiciary to submit an annual report to the Legislature summarizing the types and amounts of uncollectible delinquent fines and restitution that either were entered into a special record and deleted from the Judiciary's other books or were transferred back to the Judiciary's accounts receivable;
- (2) Inserting a provision releasing the Judiciary from further accountability for the collection of the uncollectible debts after they are entered into the special record and deleted from the Judiciary's other books;
- (3) Removing the provision requiring the Judiciary to follow proper accounting standards when deleting the uncollectible fines from the books; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2714, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2714, H.D. 2, S.D. 1, C.D. 1.

Representatives Tom, White, Hamakawa, Yamane and Ward,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Baker, Fukunaga and Bunda,
Managers on the part of the Senate.

Conf. Com. Rep. 110 on H.B. No. 2786

The purpose of this bill is to require defendants convicted of sexual or violent offenses to provide blood samples for DNA analysis.

This bill also allows the court to order convicted defendants to pay a monetary assessment of \$500 or the actual cost of DNA analysis, whichever is less, to defray the costs of obtaining, storing, and testing the blood sample. Accordingly, this bill creates a DNA registry special fund to be administered by the Attorney General into which the monetary assessments are to be deposited. Furthermore, this bill provides that a person who negligently or recklessly fails to provide blood samples is guilty of a misdemeanor, and that a person who intentionally or knowingly fails to provide blood samples is guilty of a class C felony.

Your Committee on Conference has amended this bill by making a technical, nonsubstantive change for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2786, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2786, H.D. 2, S.D. 2, C.D. 1.

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

Senators Matsunaga, Chumbley, Fukunaga, Bunda and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 111 on H.B. No. 503

The purpose of this bill is to allow state departments to consult with the administrator of the state procurement office to identify goods and services that may be purchased from the correctional industries program; and to allow the administrator to provide a list of goods and services available from the correctional industries program.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 503, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 503, H.D. 2, S.D. 2, C.D. 1.

Representatives Garcia, Nakasone, Saiki, Suzuki and Meyer,
Managers on the part of the House.

Senators M. Ige, Bunda, Matsunaga, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 112 on H.B. No. 1966

The purpose of this bill is to establish extended care adult residential care homes (ARCH).

Your Committee on Conference believes that giving consumers a choice to reside in a nursing home or in home- and community-based care is essential. To facilitate this effort, your Committee on Conference further believes that ARCHs must be expanded to admit patients needing a higher level of care. This expansion will better serve to give consumers options to meet their health care needs.

Your Committee on Conference has amended this measure by:

- (1) Changing the title of "extended" ARCHs to "expanded" ARCHs;
- (2) Establishing new sections in the Hawaii Revised Statutes to:
 - (A) Define and license expanded ARCHs; and
 - (B) Reimburse expanded ARCH operators based on the severity of the resident's disability;
- (3) Requiring the Department of Health to adopt and develop a social model of health care designed to give consumers choices for the types of care they wish to receive;
- (4) Clarifying that this Act does not require expanded ARCHs to comply with the licensing requirements of the Maluhia Waitlist Program; and
- (5) Effectuating all provisions relating to expanded ARCHs on July 1, 1999.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1966, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1966, H.D. 2, S.D. 2, C.D. 1.

Representatives Arakaki, Santiago, Say, Abinsay and Ward,
Managers on the part of the House.

Senators Chun Oakland, Kanno, Baker, Fukunaga, Kawamoto, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 113 on H.B. No. 1433

The purpose of this bill is to establish school-by-school budgeting to give schools maximum flexibility in the preparation and execution of their budgets. The bill also requires the Auditor to review all programs within the school-based budgeting program.

Your Committee finds that school-based budgeting would enable educators in the public school system to become better managers of school resources.

Your Committee has amended this bill by removing its contents and inserting the requirement that the Department of Education establish a safety office and a statewide campus security program from H.B. No. 3167, S.D. 1. Your Committee has also added transferring after-hours security for public schools and state libraries from the Department of Public Safety to the Department of Education and the State Librarian and the State Public Library System, respectively. Your Committee finds that public school safety is crucial to the success of our public education system, and that the Department of Education is the best agency to address this situation.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1433, H.D. 2, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1433, H.D. 2, S.D. 3, C.D. 1.

Representatives Say, Stegmaier, Goodenow, Takamine and Halford,
Managers on the part of the House.

Senators Aki, Tam, Baker, Fukunaga, M. Ige and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 114 on H.B. No. 2675

The purpose of this bill is to improve consumer protection and increase government efficiency and professional and vocational regulatory processes by:

- (1) Replacing the state constructed exam required for licensure of chiropractors, dentists, land surveyors, landscape architects, and veterinarians with the national licensing exams for the specific profession;
- (2) Requiring applicants to self-certify that they agree to the licensing rules of the specific Board overseeing their profession; and
- (3) Eliminating the Boards and Commissions regulating various occupations and professions under the jurisdiction of the Department of Commerce and Consumer Affairs except the Contractors Licenses Board, the Board of Electricians and Plumbers, the Elevator Mechanics Licensing Board, and the Real Estate Commission.

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

- (1) Retaining the state constructed exam required for licensure of chiropractors, dentists, land surveyors, landscape architects, and veterinarians;
- (2) Authorizing the Board of Chiropractic Examiners to determine the passing score required on the state chiropractic examination necessary for licensure;
- (3) Requiring the state chiropractic examination to be prepared, administered, and graded by a professional testing service;
- (4) Retaining all Boards and Commissions under the jurisdiction of the Department of Commerce and Consumer Affairs except the Board of Barbering and Cosmetology, the Board of Dental Examiners, the Board of Speech Pathology and Audiology, and the Board of Osteopathic Examiners to oversee licensing of their various professions and occupations;
- (5) Transferring the regulatory responsibilities of osteopathic physicians and surgeons from the Board of Osteopathic Examiners to the Board of Medical Examiners;
- (6) Requiring one member of the Board of Medical Examiners to be an osteopathic physician or surgeon;
- (7) Defining "premium" as it relates to insurance and clarifying its definition as it relates to surety bonds;
- (8) Designating as an unfair or deceptive trade practice the use of an agreement or instrument which eliminates or diminishes the protections that a bond provides to a homeowner for home construction projects;
- (9) Requiring the Legislative Reference Bureau to conduct a study on the licensing examination used by the Board of Dental Examiners and include in the report:
 - (A) Whether the licensing examination appropriately tests for professional competency in the field of dentistry;

- (B) Whether the Western Regional Examination should be used in lieu of or as an option to the state constructed examination; and
 - (C) Any other issues pertinent to a determination of the fairness of the state constructed dental examination;
- (10) Requiring the Legislative Reference Bureau to conduct a study on the dental provider reimbursement practices of insurers and related entities and include in its report any cost implications to the Hawaii Medical Service Association and the Hawaii Dental Service of a direct payment and equal reimbursement law;
 - (11) Changing the effective date of the Act to July 1, 1998, except for the provisions repealing the Board of Dental Examiners which are effective July 1, 2000, and the effective date of the Legislative Reference Bureau studies which is effective upon approval;
 - (12) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2675, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2675, H.D. 2, S.D. 1, C.D. 1.

Representatives Menor, Say, Abinsay, Herkes and Meyer,
Managers on the part of the House.

Senators D. Ige, Metcalf and Kanno,
Managers on the part of the Senate.

Conf. Com. Rep. 115 on H.B. No. 2870

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

- (1) Redefine the obligations of the employer and the special compensation fund in cases of concurrent employment while providing equitable payment of benefits for part-time employees;
- (2) Specify that in no event will the weekly wages of an injured employee who is concurrently employed be computed to be less than the employee's hourly rate of pay multiplied by 35; and
- (3) Require the Insurance Commissioner to conduct a closed claims study of workers' compensation claims made to coordinated care organizations.

Upon further consideration, your Committee on Conference has agreed to accept the provisions of H.B. No. 2870 as originally introduced. Accordingly, your Committee on Conference has amended this measure by deleting provisions:

- (1) Specifying that weekly wages be computed to be no less than the employee's hourly rate of pay multiplied by 35; and
- (2) Requiring the Insurance Commissioner's study.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2870, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2870, S.D. 2, C.D. 1.

Representatives Yonamine, Menor, Nakasone, Case and Pendleton,
Managers on the part of the House.

Senators Kanno, Chun Oakland, Fukunaga, Metcalf and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 116 on H.B. No. 3437

The purpose of this bill is to:

- (1) Modify the formula for the post-hurricane industry assessment on insurers acting as servicing facilities for the Hawaii Hurricane Relief Fund (Fund), in order to increase the State's claims paying capacity; and
- (2) Clarify the Fund's authority to create loss mitigation incentives and enter into claims financing transactions.

Proposed national legislation would make available to state catastrophe programs low cost federal reinsurance, but would also require that Hawaii maintain a claims paying capacity of \$2,000,000,000. Currently, the State's claims paying capacity is only \$1,350,000,000, and therefore, the State must find ways to increase this capacity.

In addition to entering into claims financing transactions and increasing its reinsurance, one of the ways for the Fund to boost its claims paying capacity is to increase its post-hurricane industry assessment on insurers acting as servicing facilities. Profits on homeowners' policies are at an all-time high, and therefore, an increase in the insurers' assessments is not expected to result in policy rate increases for homeowners.

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

- (1) Providing that in the event of a loss from a covered event:

- (a) The Fund is authorized to assess insurers acting as servicing facilities during the twelve months ending at the start of the month preceding the month in which the covered event occurs;
- (b) The total assessment shall be a fixed percentage of the total coverage provided, rather than written, by the Fund under its hurricane property insurance policies during the month preceding the month in which the covered event occurs;
- (c) The following percentages shall be used in calculating the total assessment on servicing facilities:
 - (i) For the calendar year 1998, a percentage fixed by the Fund's board of directors, with a total assessment not to exceed \$500,000,000;
 - (ii) For the calendar year 1999, 1.125 per cent;
 - (111) For the calendar year 2000, 1.25 per cent; and
 - (iv) For the calendar year 2001, and each calendar year thereafter, 1.5 per cent;

and

- (d) Each servicing facility's allocation of the total assessment shall be based on the proportion of the total amount of the Fund's gross direct written premiums for hurricane property insurance policies serviced by each servicing facility to the total amount of the Fund's gross direct written premiums for hurricane property insurance policies during the twelve months ending at the start of the month preceding the month in which the covered event occurs;

(2) Removing language that permits the Fund's board to calculate or impose an assessment based on currently available information, notwithstanding the availability of new or revised information and subsequent adjustments in any assessment; and

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3437, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3437, H.D. 2, S.D. 2, C.D. 1.

Representatives Menor, Say, Cachola, Kanohe and Aiona,
Managers on the part of the House.

Senators D. Ige, Metcalf, Baker, Levin, Solomon and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 117 on H.B. No. 2823

The purpose of this bill is to continue the reforms enacted in Act 251, Session Laws of Hawaii 1997 (Act 251). In the years prior to passage of Act 251, Hawaii's consumers paid the highest auto insurance premiums in the nation in some years and the second highest in other years. Since the passage of Act 251, Hawaii's consumers have already realized significant savings. Preliminary data indicates that this favorable downward trend will continue.

Your Committee on Conference is committed to continuing the trend of decreasing automobile insurance rates for our driving public, and, to that end, has focused on clarifying existing provisions and making technical corrections to Act 251. Amendments to strengthen the provisions of Act 251 and effectuate its purpose of creating a fair and equitable system that delivers maximum benefits with the greatest efficiency and lowest cost are included.

In summary, H.B. No. 2823, H.D. 1, S.D. 1, C.D. 1 contains the following amendments:

- (1) Optional binding arbitration is provided as an alternative to traditional litigation. Use of binding arbitration should result in significant savings by reducing, if not eliminating, most lawsuits relating to automobile accidents.

Binding arbitration has long been used by insurers for Underinsured Motorist ("UIM") and Uninsured Motorist ("UM") claims and has proven to be efficient and cost effective. Your Committee would like to emphasize that this is not intended to replace the Court Annexed Arbitration Program ("CAAP") arbitration, but is to be a purely optional alternative.

- (2) Physical therapy and therapeutic massage are restricted and available only by prescription from a medical doctor to further reduce costs. It is intended that the addition of a medical doctor as a gatekeeper for these ancillary medical services will serve to prevent abuses and excessive treatment.
- (3) The amnesty period for uninsured drivers is corrected to give these drivers an opportunity to take advantage of lower insurance rates and purchase insurance to comply with the law.
- (4) The Insurance Division's rulemaking process is streamlined. The present rulemaking process is ineffective and unacceptable. It is not uncommon for the preliminary rule drafting procedure to consume two to four years before draft rules can be circulated for public comment prior to public hearing. If there are changes to these proposed rules, the entire drafting process repeats itself taking another two to four years. As a result, the public comment

and hearing process is often a sham, since even the most meritorious suggestions and concerns are often ignored because making changes would delay adoption of the final rules by several more years.

Government cannot regulate insurance effectively when it cannot timely address critical needs in fulfilling its regulatory functions. Insurance companies cannot efficiently function in underwriting, rate making, investing, and claims handling when it cannot rely on timely rulemaking to ascertain the rules under which they must conduct their business. Consumers cannot be protected when the regulator is unable to discharge its regulatory functions in a timely manner. New insurers will not be attracted to do business in Hawaii, provide our consumers with additional choices, and stimulate competition that could result in lower premiums. Existing insurers may not remain in Hawaii when they could take their business to more business friendly environments elsewhere.

The Insurance Commissioner and Executive Branch are urged to implement streamlined procedures permitted under this measure and to take advantage of the legal staff provided to the Insurance Division to promulgate rules in a more efficient and business-like manner.

- (5) The bill clarifies that drivers using other people's vehicles, with a reasonable belief that the person has permission to use the vehicle, will not be in violation of the mandatory insurance requirement and will retain coverage in the event of an accident.
- (6) Death benefits under a policy of motor vehicle insurance are immediately payable to the deceased's surviving spouse and dependent children, rather than to the deceased's estate, to avoid the delays and taxes associated with probate.
- (7) The calculation of allowable expenses for tort threshold purposes is clarified and the threshold requirements for uninsured motorist benefits are conformed to the requirements for liability insurance benefits.
- (8) The bill incorporates measures designed to eliminate abuses and excessive charges associated with independent medical examinations (IMEs). The bill clarifies that the workers' compensation fee schedule charge allowable for IMEs may not be exceeded by submitting a separate charge for the report or other ancillary procedures incident to the conducting of an IME. The practice of charging up to several thousand dollars in excess of the permissible fee under the workers' compensation schedule for consultation for a complex medical problem violates the cost containment provision.
- (9) The UIM statute of limitations for claims under the existing automobile insurance law is clarified to avoid the submission of unnecessary claims. The submission of duplicative or unnecessary claims should be significantly reduced by allowing UIM claims to be made after resolution of the liability claim, just as personal injury protection benefits (PIP) denials need not be made until after the last payment.
- (10) Motorcycle liability policy limits are conformed to the motor vehicle liability policy limits established in Act 251 to allow motorcyclists to benefit from premium reductions similar to that enjoyed by motorists.
- (11) Motorcycle passengers are excluded from PIP coverage, unless such coverage is provided in the specific motor vehicle policy, to conform the law regarding coverage for motorcycle passengers to the existing law for motorcycle operators.
- (12) Wage loss options are modified to provide for greater flexibility at lower premiums.
- (13) Coverage for chiropractic treatment is amended by limiting the number of allowable x-rays and incorporating acupuncture treatments. The Hawaii State Actuary has stated that the inclusion of acupuncture treatments will not result in rate increases because such treatments will be subject to the same thirty visit limitation that is applicable to chiropractic treatments.
- (14) The coverage for rental car property damage is amended to conform to the coverage for bodily injury.
- (15) The bill provides for indemnification of agents for the issuance of automobile insurance policies.
- (16) The bill makes numerous technical corrections and other amendments to clarify the intent of Act 251 and further strengthen its provisions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2823, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2823, H.D. 1, S.D. 1, C.D. 1.

Representatives Menor, Tom, Say, Yamane and Aiona,
Managers on the part of the House.

Senators D. Ige, Metcalf, Kanno, Levin and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 118 on H.B. No. 2680

The purpose of this bill is to provide increased autonomy and flexibility to those school communities committed to the responsibilities of local control.

Your Committee believes that both the difficulties met by the two student-centered schools now in operation require changes to the law in order to ensure a stronger future for the program.

Your Committee has amended this measure to:

- (1) Require an open meeting before adoption of policies and rules, but not subject to chapter 91, Hawaii Revised Statutes (HRS);
- (2) Authorize the student-centered school to determine personnel matters subject to applicable personnel laws and collective bargaining agreements;
- (3) Require that any agreements entered into by the student-centered school and the exclusive bargaining unit representative shall be funded from current allocations or other sources of funds received by the school;
- (4) Clarify that the local school board may select the principal in accordance with section 302A-1123(a)(1)(A), HRS;
- (5) Clarify that the State shall afford the local school board with the same protections it affords the board of education;
- (6) Allow the school to negotiate an adjusted allocation in order to have the department provide services to the school;
- (7) Beginning in fiscal year 1999-2000, authorize the legislative auditor to determine the appropriate allocation based on past appropriations;
- (8) Require the student-centered school to submit its self evaluation within sixty days after the completion of the school year, and the department to respond to any recommendations in the report within thirty days; and
- (9) Make technical, nonsubstantive amendments for the purposes of style and clarity.

In regards to the legislative auditor setting the allocation for student-centered schools, the legislature believes such items as collective bargaining agreements, new or expanded programs, changes in enrollment and adjustments for inflation should be considered in determining the amount.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2680, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2680, H.D. 2, S.D. 1, C.D. 1.

Representatives Stegmaier, Say, Kawakami, Morita and Moses,
Managers on the part of the House.

Senators Tam, Aki, Baker, Fukunaga, D. Ige, McCartney and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 119 on H.B. No. 3446

The purpose of this bill is to authorize the issuance of \$20,000,000 in special purpose revenue bonds to assist Kupuna Park, Inc., a Hawaii not-for-profit corporation, or another Hawaii nonprofit entity, in the acquisition or leasing of land for, and the planning, design, construction, and operation of, a senior housing community.

Your Committee on Conference finds that the issuance of special purpose revenue bonds to develop senior housing is in the public interest.

Your Committee on Conference has amended this bill by changing the lapsing date to issue the special purpose revenues bonds on the latter of June 30, 2003, or the sunset date of section 39A-52, Hawaii Revised Statutes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3446, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3446, S.D. 2, C.D. 1.

Representatives Arakaki, Santiago, Abinsay, Chang and Ward,
Managers on the part of the House.

Senators M. Ige, Bunda, Levin, Fernandes Salling, Baker, Fukunaga, Ihara and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 120 on H.B. No. 3033

The purpose of this bill is to authorize the administration to contract for the construction of privately-owned correctional facilities to relieve prison overcrowding and to further define conditions for the operation of pre-trial inmate release programs.

Your Committee has amended this bill by:

- (1) Reorganizing the order of several of the sections in Parts I and II to improve the flow and eliminate redundancies; and
- (2) Requiring the Department of Public Safety to enter into community partnership for new prison development; and

- (3) Requiring that the Department of Public Safety report to the Legislature on the community partnering process; and
- (4) Removing Part III which makes provisions for the establishment of Ka'u Planning Commission; and
- (5) Making other non-substantive changes for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3033, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3033, H.D. 2, S.D. 2, C.D. 1.

Representatives Garcia, Say, Chang, Saiki and Marumoto,
Managers on the part of the House.

Senators Chumbley, Matsunaga, Baker, Fukunaga, Ihara, Levin, McCartney and Anderson,
Managers on the part of the Senate.
(Senator Levin did not concur.)

Conf. Com. Rep. 121 on S.B. No. 2983

The purpose of this bill is to bring together the administration of the open meetings law and the open records law under the Office of Information Practices (OIP) by placing responsibility for administration of the open meetings law in the OIP and moving the OIP from the Department of the Attorney General to the Office of the Lieutenant Governor (OLG).

After agreeing in conference to accept House Draft No. 2, your Committee on Conference discovered that administratively attaching the OIP to the OLG may violate section 6 of article V of the State Constitution. Section 6 of article V, requires that state executive branch agencies be placed within the principal departments of the executive branch of state government unless they are commissions or agencies that are both temporary and for a special purpose.

Your Committee on Conference notes that the Department of the Attorney General, in Opinion No. 96-1, reasoned that the office of the Lieutenant Governor is a constitutional office that is established by section 2 of article V of the State Constitution and is not a principal department of the state executive branch.

Therefore, your Committee on Conference amended the bill by:

- (1) Deleting the new section that gives oversight to the Lieutenant Governor;
- (2) Amending section 26-1(d), Hawaii Revised Statutes (HRS), relating to the OLG's functions and duties to include administrative responsibility for the OIP;
- (3) Amending section 92F-41, HRS, to establish the OIP as a temporary office for a special purpose within the OLG for administrative purposes;
- (4) Transferring all rights, powers, functions, and duties of the Department of the Attorney General, relating to the OIP to the OLG;
- (5) Amending the effective date from upon approval to July 1, 1998, allowing the OIP's appropriation to transfer efficiently;
- (6) Amending the purpose section to reflect the changes; and
- (7) Making technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2983, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2983, S.D. 2, H.D. 2, C.D. 1.

Representatives Tom, Say, Abinsay, Jones and Marumoto,
Managers on the part of the House.

Senators D. Ige, Metcalf, Baker, Ihara and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 122 on S.B. No. 2211

The purpose of this bill is to propose a constitutional amendment to change the Board of Education from an elected board to an appointed board.

Specifically, this bill:

- (1) Requires the Governor to nominate and, by and with the advice and consent of the House of Representatives, appoint the voting members of the Board of Education;
- (2) Requires the composition of the Board of Education to be established by law, except for the nonvoting student member selected by the Hawaii State Student Council; and

- (3) Requires the voting membership of the Board of Education to represent geographic areas of the State.

Your Committee has amended this bill by deleting its contents and inserting provisions:

- (1) Requiring all pupils to be progressively competent in the use of computer technology;
- (2) Requiring the course of study and instruction for the first twelve grades to enable all students to meet progressive standards of competency in a language in addition to English;
- (3) Requiring the Board of Education to formulate statewide educational policies allowing the Superintendent of Education to exempt certain students from the foregoing requirements; and
- (4) Requiring the Department of Education, after consulting with parties involved in public education and after considering relevant national standards, to develop a plan for the implementation of this measure, including a timetable of when the goals will be reached.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2211, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2211, S.D. 2, H.D. 1, C.D. 1.

Representatives Stegmaier, Say, Kahikina, Kawakami and Morita,
Managers on the part of the House.

Senators Tam, Aki, Baker, Iwase, McCartney, Solomon and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 123 on S.B. No. 2966

The purpose of this bill is to allow the monetary assessment of convicted criminal defendants to fund disbursements made by the Criminal Injuries Compensation Commission.

Your Committee finds that the state compensation of victims of criminal acts is well founded in public policy and is the law in every state of the Union. Your Committee also finds that thirty-four states administer compensation programs that are financially self-sufficient and funded from fees, fines, penalties, civil recoveries and/or restitution. Considering the State's economic situation, adoption of such a program here would be prudent and consistent with the Legislature's objective of cutting government costs.

This bill allows the assessment of a fee against convicted criminals based on the severity of their crime. Fees would range from not less than \$25 nor more than \$100 for a petty misdemeanor conviction, not less than \$50 nor more than \$500 for a misdemeanor conviction, and not less than \$100 nor more than \$5,000 for a felony conviction. The bill also provides criteria for imposing the fee, replaces the Director of Finance with the the Director of Public Safety as the administrator of the Criminal Injuries Compensation Fund which serves as the repository for the assessed fees, provides criteria for the uses of the fees, and allows the courts to impose the fee on convicted criminals. The bill also provides an unspecified appropriation.

Your Committee has amended the bill by:

- (1) Requiring instead of allowing the imposition of the fee;
- (2) Reducing the maximum fee that may be assessed for a felony conviction from \$5,000 to \$500;
- (3) Setting the fee for a misdemeanor conviction at \$50;
- (4) Setting the fee for a petty misdemeanor conviction at \$25;
- (5) Requiring instead of allowing the court to waive the imposition of the fee if a defendant is unable to pay the fee;
- (6) Increasing the proposed percentage of funds in the Criminal Injuries Compensation Fund that may be used for operating expenses and positions from twenty to thirty per cent;
- (7) Removing the appropriation section of the bill; and
- (8) Making technical non-substantive amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2966, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2966, S.D. 2, H.D. 2, C.D. 1.

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

Senators Matsunaga, Chumbley, Baker, Ihara and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 124 on S.B. No. 2852

The purpose of this bill is to ensure the effective clean up of our environment by strengthening the voluntary response program.

Specifically, this bill:

- (1) Makes sites involving underground storage tanks eligible to be cleaned up under the voluntary response program;
- (2) Eliminates significant public interest as a disqualifying factor in the consideration of an application for a voluntary response action;
- (3) Clarifies that in denying an application, the Director of Health may consider:
 - (A) All departmental actions concerning the site and not only administrative enforcement actions; and
 - (B) The public benefit to be derived from the cleanup including environmental improvement and economic development;
 and
- (4) Provides an exemption from future liability for subsequent purchasers of the property and clarifies that a prospective purchaser would be eligible for an exemption from liability, provided the prospective purchaser does not purchase the property prior to entering into a voluntary response agreement.

Your Committee on Conference has amended this bill by adding a new section 1 to amend section 128D-31, Hawaii Revised Statutes, to clarify requirements for notifying the public and receiving comments when a voluntary response application is submitted to the Department of Health. The notification requirements will now also include publication in the bulletin of the Office of Environmental Quality Control with instructions for obtaining a copy of the application and the commenting procedures.

Your Committee notes that it was specifically concluded that adopting the Senate amendments to section 128D-40(f)(2), Hawaii Revised Statutes, would not have materially altered the current standard for invalidating the effectiveness of the exemption from liability in connection with sham transactions. Accordingly, your Committee on Conference has left section 128D-40(f)(2) unchanged.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2852, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2852, S.D. 1, H.D. 2, C.D. 1.

Representatives Yoshinaga, Kanoho, Goodenow, Ito and Meyer,
Managers on the part of the House.

Senators Levin, Fernandes Salling, Chun Oakland, Tam and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 125 on S.B. No. 3076

The purpose of this bill is to create a contracts office within the Department of Health for administrative purposes to provide centralized, coordinated, and integrated purchase of service contracting for the Departments of Health and Human Services to reduce duplicative functions and maximize the use of resources.

Your Committee on Conference is concerned that maximum efficiency and effectiveness may not be achieved merely by the creation of the contracts office under this Act. Consequently, your Committee on Conference suggests that a Joint Legislative Committee be formed during the interim to:

- (1) Examine the reconfiguring of the Departments of Health and Human Services to achieve the most cost-efficient and effective means of delivering services, particularly for children, youth, and families; and
- (2) Investigate the possibility of consolidating duplicative functions of the two departments.

Your Committee on Conference believes that participation among the Departments of Health and Human Services, the Legislature, service providers, and the community is critical to continue further discussion to achieve these goals, and welcomes their involvement.

Your Committee on Conference amended this bill by:

- (1) Placing the contracts office within the Department of Human Services for administrative purposes;
- (2) Requiring that the selection of employees for the contracts office from the Departments of Health and Human Services be required until June 30, 1999, and thereafter, only in accordance with Chapters 76 and 77, Hawaii Revised Statutes;
- (3) Making the monitoring and auditing functions of the contracts office mandatory only if no other office or agency is performing those functions; and

- (4) Stipulating that contracts office may not use the moneys appropriated to the agencies for any purpose other than those designated by the respective measures authorizing the appropriations for those moneys.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3076, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3076, S.D. 1, H.D. 1, C.D. 1.

Representatives Arakaki, Santiago, Kawakami, Kahikina and Ward,
Managers on the part of the House.

Senators Levin, Fernandes Salling, Chun Oakland, Kanno, Bunda, M. Ige, Baker, Fukunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 126 on S.B. No. 2037

The purpose of this bill is to ensure the provision of emergency health care services to patients without the requirement of preauthorization, whether covered by accident and sickness insurance contracts, mutual benefit societies, and health maintenance organizations.

Your Committee finds that a person in an emergency medical crisis should not have to face juggling "preauthorization," unanticipated expense, and delaying medical care. In earlier testimony before Senate and House committees, Kaiser Permanente suggested amendments that provide a thoughtful and considerate approach to prepaid emergency medical care in Hawaii.

Your Committee has amended the bill with the suggestions of the Hawaii Medical Service Association, the State's largest mutual benefit society providing prepaid medical care. The amendment succinctly clarifies that an emergency provider can treat only those medical conditions that lead the patient to the belief that he or she has an emergency medical condition. This makes clear the Legislature's intent that the emergency provider should not use the emergency visit as an opportunity to treat ailments unrelated to the condition creating the emergency. Always more expensive than the normal trip to the doctor, your Committee is sensitive to the high cost of medical care, especially on an emergency basis.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2037, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2037, S.D. 1, H.D. 2, C.D. 1.

Representatives Menor, Say, Cachola, Hamakawa and Marumoto,
Managers on the part of the House.

Senators D. Ige, Metcalf, Chun Oakland, Kanno and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 127 on S.B. No. 2204

The purpose of this bill is to improve the regulatory process by requiring government agencies to establish and adhere to maximum time periods for review and approval of all business and development related permit approvals and licenses not subject to federal review and approval, or the application would be deemed automatically approved.

Your Committee on Conference notes the continued concerns of some that automatic permit approval will be misused to short-circuit existing public input processes. Your Committee is confident that agencies will account for the preservation of such processes in their rulemaking.

Your Committee on Conference also notes continuing concerns with the interplay between automatic permit approval and various board and commission quorum requirements. Your Committee deleted the quorum amendment sections of this bill because the various quorum possibilities appeared to require further deliberation, and your Committee believes that the 1999 legislative session should address this issue as the automatic permit approval rules come into effect.

Your Committee has also excepted the Land Use Commission from this bill at this time because of quorum-related concerns.

Your Committee on Conference finds that the Department of the Attorney General expressed its concerns about the vagueness of certain terms and the possible constitutionality and conflict problems the bill would pose as drafted.

Accordingly, your Committee amended the bill by:

- (1) Deleting specific time limits for review and approval processes;
- (2) Deleting references to "state" business and development-related permits under their jurisdiction;
- (3) Deleting the requirement that issuing agencies establish the deadline and form for administrative appeals;
- (4) Defining the term "application for a business or development-related permit, license, or approval";
- (5) Specifying that agencies must adopt rules establishing maximum time periods either on the first occasion that the agency's rules are amended or by December 31, 1999, whichever is earlier;

- (6) Amending the purpose section to reflect the changes in the bill and for clarity; and
- (7) Making technical, nonsubstantive changes for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2204, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2204, S.D. 2, H.D. 2, C.D. 1.

Representatives Menor, Say, Nakasone, Yoshinaga and Marumoto,
Managers on the part of the House.

Senators D. Ige, Metcalf, Levin, Fernandes Salling, Baker, Fukunaga, Chun Oakland, Kanno and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 128 on S.B. No. 379

The purpose of this bill is to impose a refundable deposit of \$1.75 on the sale of each new motor vehicle tire that is not accompanied by a trade-in tire.

Specifically, this bill requires tire retailers to:

- (1) Collect a \$1.75 deposit, at the point of sale, for each new motor vehicle tire purchased by a customer not accompanied by a motor vehicle tire;
- (2) Issue a \$1.75 refund for each motor vehicle tire returned by a customer along with a proof of purchase issued by the same retailer dated after July 1, 1998; and
- (3) Post a written notice that states: "Beginning July 1, 1998, state law requires us to charge a \$1.75 refundable deposit for each new tire you purchase that is not accompanied by a trade-in tire. This deposit will be refunded upon the return of your trade-in tire along with a proof of purchase from this store."

Your Committee has amended this bill by:

- (1) Increasing the amount of the deposit to \$7 per tire;
- (2) Requiring all scrap tire haulers to provide evidence, to the retailer from which the tires were collected, of delivery of the used motor vehicle tires to a permitted tire processor or recycler;
- (3) Requiring all motor vehicle tire retailers to require from scrap tire haulers evidence that their used tires are being disposed of through a permitted tire processor or recycler;
- (4) Requiring all retailers of motor vehicle tires to maintain records of the disposal/recycling of their used tires for a minimum of three years, and to make the records available for review by the Department of Health on request;
- (5) Requiring retailers to honor proof of purchases issued after June 30, 1998, rather than after July 1, 1998, to be consistent with the posting requirement and the imposition of the refundable deposit, which take effect on July 1, 1998; and
- (6) Making a technical nonsubstantive change for purposes of style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 379, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 379, S.D. 2, H.D. 2, C.D. 1.

Representatives Yoshinaga, Kanoho, Chang, Goodenow and Meyer,
Managers on the part of the House.

Senators Levin, Fernandes Salling, Chumbley, Matsunaga, Chun Oakland and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 129 on S.B. No. 760

The purpose of this bill is to amend chapter 302A, Hawaii Revised Statutes (HRS), to establish a process for creating schools-within-schools.

Your Committee finds that schools-within-schools offer opportunities for learning through a small school atmosphere, while enjoying the advantages that a larger school complex can provide.

Your Committee has amended this measure by removing the specific provisions for the procedures to create schools-within-schools, and replaced them with language to:

- (1) Authorize any public school to establish schools-within-schools pursuant to rules adopted by the board of education (BOE);
- (2) Require the BOE to develop a plan by March 31, 1999, to encourage schools-within-schools at all schools; and

- (3) Require the Department of Education to adopt rules regarding schools-within-schools in accordance with chapter 91, HRS, by March 31, 1999.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 760, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 760, H.D. 2, C.D. 1.

Representatives Stegmaier, Say, Goodenow, Santiago and Fox,
Managers on the part of the House.

Senators Tam, Aki, Fukunaga, D. Ige, McCartney and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 130 on S.B. No. 2350

The purpose of this bill is to exempt glass container importers who import less than 5,000 glass containers per year from the advance glass disposal fee, and to permit importers who import between 5,000 and 100,000 containers to pay the fee annually instead of quarterly.

Your Committee finds that it is not an efficient use of government resources to track down glass container importers who bring in fewer than 5,000 containers per year. It is also not an efficient use of time for businesses to require mid-range importers to file quarterly reports. This law will enhance effectiveness and efficiency for both government and business, while still requiring major importers, whose containers form the bulk of the glass container waste stream, to pay their fair share of the advance disposal fee.

Your Committee has amended this bill by removing the provision that would have allowed counties to levy their own assessment or fee for the same or similar purpose as the State's advance disposal fee.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2350, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2350, S.D. 1, H.D. 2, C.D. 1.

Representatives Yoshinaga, Say, Goodenow, Morihara and Thielen,
Managers on the part of the House.

Senators Levin, Fernandes Salling, Fukunaga, Chun Oakland, Ihara and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 131 on S.B. No. 1089

The purpose of this bill is to provide additional incentives for private landowners to recover and protect threatened and endangered species on their lands.

Your Committee finds that this bill is very similar to H.B. No. 1292, H.D. 1, S.D. 1, C.D. 1, which became Act 380, Session Laws of Hawaii 1997. Consequently, your Committee has amended this bill by deleting its contents and inserting provisions:

- (1) Governing the issuance of incidental take licenses, the consolidated processing of habitat conservation plans and safe harbor agreements, the concurrent processing of state land use permit applications, the public's review and comment of proposed plans and agreements, the monitoring of plans, and the activities of the endangered species recovery committee;
- (2) Requiring the rights and obligations under any safe harbor agreement to run with the land for the term agreed to in the agreement and to be recorded by the Department of Land and Natural Resources in the bureau of conveyances or the land court, as may be appropriate;
- (3) Allowing administrative enforcement of rules adopted pursuant to the law relating to the conservation of aquatic life, wildlife, and land plants, in addition to habitat conservation plans, safe harbor agreements, and incidental take licenses; and
- (4) Permitting land uses substantially involving or supporting educational ecotourism in the agricultural district by special permit, on lands with soils classified by the land study bureau's detailed land classification as overall (master) productivity rating class C, D, E, or U.

Upon final approval in accordance with chapter 195D, Hawaii Revised Statutes, your Committee intends that habitat conservation plans, safe harbor agreements, and incidental take licenses be deemed "contracts" within the meaning of Article I, section 10 of the United States Constitution.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1089, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1089, S.D. 2, H.D. 2, C.D. 1.

Representatives Kanoho, Yoshinaga, Goodenow, Meyer and Tarnas,
Managers on the part of the House.

Senators Levin, Fernandes Salling, Chun Oakland and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 132 on S.C.R. No. 191

The purpose of this concurrent resolution is to urge the State and the City and County of Honolulu to form a Joint Waikiki Task Force to discuss and coordinate the issues facing this area of Honolulu.

Your Committee has amended this measure by:

- (1) Reinstating the title as it read in the measure's original draft by inserting the word "cooperatively";
- (2) Requiring that at least one of the private citizens appointed by the Governor and at least one of the private citizens appointed by the Mayor be a resident of Waikiki;
- (3) Making a technical nonsubstantive amendment for the purpose of clarity.

Your Committee on Conference is in accord with the intent and purpose of S.C.R. No. 191, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.C.R. No. 191, S.D. 2, H.D. 1, C.D. 1.

Representatives Cachola, Chang, Morita and Fox,
Managers on the part of the House.

Senators Taniguchi, Kawamoto, Fukunaga, Ihara, McCartney and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 133 on H.C.R. No. 88

The purpose of this concurrent resolution is to request the auditor to conduct an actuarial study and a programmatic audit of the Public Employees Health Fund operations, and a management and financial audit of the School-to-Work Opportunities System.

Your Committee upon further consideration has amended this measure by deleting all references to conducting a financial audit of the School-to-Work Opportunities System and requesting the auditor to conduct a management study of the School-To-work Opportunities System.

Your Committee on Conference concurs with the intent and purpose of H.C.R. No. 88, H.D. 1, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 88, H.D. 1, S.D. 1, C.D. 1.

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

Senators Kanno, Chun Oakland, Baker, Fukunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 134 on S.C.R. No. 28

The purpose of this concurrent resolution is to request the Auditor to study the social and financial impacts of requiring all employer group health policies, contracts, plans, or agreements issued or renewed in Hawaii, on a group or individual basis, to provide coverage for post-mastectomy breast reconstructive surgery for all stages of reconstruction as well as symmetry operations on the noncancerous breast, not as an option, for the cost of care for the subscriber or any dependent of the subscriber who is covered by the policy. The measure sets forth a specific set of factors and issues to be considered in the study and requires the submission of the Auditor's findings and recommendations to the 1999 Legislature.

Your Committee on Conference is aware that the Auditor's study of the social and financial impacts of mandatory insurance coverage for post-mastectomy breast reconstructive surgery has been inserted in another measure. Your Committee on Conference believes that this measure would better serve as a vehicle for requesting the Departments of Health and Education to perform various tasks pertaining to student-centered mental health intervention services which would facilitate the State's compliance with the Felix v. Cayetano Consent Decree.

Your Committee on Conference amended this measure by deleting its entire contents and replacing it with language which:

- (1) Requests the Departments of Health and Education to collaboratively explore the development of student-centered mental health intervention services for children covered by the Felix v. Cayetano consent decree;
- (2) Permits national and local school-based mental health center models to be used to develop a quality and cost-effective student-centered mental health intervention service system;
- (3) Permits student-centered mental health interventions to be equipped to serve low- to medium-end children and youth in their least restrictive environment;
- (4) Requests that student-centered mental health interventions be considered as the foundation for school-based health centers in the future;

- (5) Requests the Department of Health to consider being an active participant in the planning and implementation of school-based health centers statewide to the extent mandated by the Felix v. Cayetano Consent Decree; and
- (6) Requests the Departments of Health and Education to report their findings and developments to the Legislature no later than twenty days prior to the convening of the Regular Session of 1999.

Your Committee on Conference concurs with the intent and purpose of S.C.R. No. 28, S.D. 1, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 28, S.D. 1, H.D. 1, C.D. 1.

Representatives Santiago, Abinsay, Saiki and McDermott,
Managers on the part of the House.

Senators Levin, Fernandes Salling, Metcalf, D. Ige, Kanno, Chun Oakland, Baker and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 135 on S.C.R. No. 146

The purpose of this concurrent resolution is to request the Auditor to perform a program audit focusing on the decision-making processes across the various state agencies involved in the child protective services system.

Your Committee finds that the program audit requested in this concurrent resolution is appropriate to ensure Child Protective Services address the needs and concerns of the community.

Your Committee has amended this concurrent resolution by amending the title and focusing the audit on the following:

- (1) Communication among the various agencies;
- (2) Training on child abuse and neglect for agency staff;
- (3) Adequacy of caseload size in the agencies;
- (4) Adequacy of resources in the agencies;
- (5) Decision-making in the child protective services system, including:
 - (A) Screening decisions;
 - (B) Case selection;
 - (C) Child safety, including how to keep a maltreated child safe and under what conditions placement out of the home is necessary;
 - (D) Reunification of the child with his/her family; and
 - (E) The termination of child protective services involvement.

Your Committee has also amended this concurrent resolution by deleting provisions requiring a review of the Child Protective Services' overall structure and effectiveness, adoption and foster parent selection process, personnel, records and reporting, and management of fiscal issues.

Your Committee has further amended this concurrent resolution by requiring the Auditor to consult national entities with child welfare expertise and by making technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Conference concurs with the intent and purpose of S.C.R. No. 146, S.D. 2, H.D. 1, as amended herein, and recommends that it be adopted in the form attached hereto as S.C.R. No. 146, S.D. 2, H.D. 1, C.D. 1.

Representatives Arakaki, Abinsay, Saiki and McDermott,
Managers on the part of the House.

Senators Chun Oakland, Kanno, Baker, Fukunaga, Ihara, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 136 on S.B. No. 2633

The purpose of this bill is to protect consumers who lease land by requiring that the fair market value of renegotiated rental amounts for leases be determined in conformance with the Uniform Standards of Professional Appraisal Practice.

Your Committee on Conference has amended the bill by incorporating the recommendations of the State Auditor that are enumerated in the study entitled "Analysis of a Proposal to Expand the Regulation of Real Estate Appraisers and Appraisals".

Specifically, the Auditor's recommendation was for the Legislature to strongly consider passing H.B. No. 566, which requires appraisals in both federally and non-federally related real estate transactions to be performed by state-licensed or state-certified appraisers following the Uniform Standards of Professional Appraisal Practice. Therefore, your Committee on Conference has incorporated the substance of H.B. No. 566.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2633, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2633, S.D. 1, H.D. 1, C.D. 1.

Representatives Menor, Say, Cachola, Suzuki and Marumoto,
Managers on the part of the House.

Senators D. Ige, Metcalf, Kanno and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 137 on H.B. No. 2680

The purpose of this bill is to provide increased autonomy and flexibility to those school communities committed to the responsibilities of local control.

Your Committee believes that both the difficulties met by the two student-centered schools now in operation require changes to the law in order to ensure a stronger future for the program.

Your Committee, in Conference Draft 1, amended this measure to:

- (1) Require an open meeting before adoption of policies and rules, but not subject to chapter 91, Hawaii Revised Statutes (HRS);
- (2) Authorize the student-centered school to determine personnel matters subject to applicable personnel laws and collective bargaining agreements;
- (3) Require that any agreements entered into by the student-centered school and the exclusive bargaining unit representative shall be funded from current allocations or other sources of funds received by the school;
- (4) Clarify that the local school board may select the principal in accordance with section 302A-1123(a)(1)(A), HRS;
- (5) Clarify that the State shall afford the local school board with the same protections it affords the board of education;
- (6) Allow the school to negotiate an adjusted allocation in order to have the department provide services to the school;
- (7) Beginning in fiscal year 1999-2000, authorize the legislative auditor to determine the appropriate allocation based on past appropriations;
- (8) Require the student-centered school to submit its self evaluation within sixty days after the completion of the school year, and the department to respond to any recommendations in the report within thirty days; and
- (9) Make technical, nonsubstantive amendments for the purposes of style and clarity.

Upon reconsideration, your Committee has further amended this bill to:

- (1) Allow the base allocation figure to be determined by the auditor and to be adjusted to reflect changes in the supplemental budget and any appropriation made for collective bargaining agreements; and
- (2) Include any changes due to changes in the department's budget by the Legislature or due to collective bargaining negotiations in the auditor's determinations.

The Legislature finds that based on the 1997-1999 budget adopted by the Legislature in 1997, the 1998-1999 per pupil expenditure was \$4028.29.

In regards to the legislative auditor setting the allocation for student-centered schools, the Legislature believes such items as collective bargaining agreements, new or expanded programs, changes in enrollment and adjustments for inflation should be considered in determining the amount.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2680, H.D. 2, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2680, H.D. 2, S.D. 1, C.D. 2.

Representatives Stegmaier, Say, Kawakami, Morita and Moses,
Managers on the part of the House.

Senators Tam, Aki, Baker, Fukunaga, D. Ige, McCartney and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 138 on H.B. No. 2990

The purpose of this bill is to allow the State, through the Agribusiness Development Corporation (ADC), to acquire, administer, operate, maintain, and improve the Waiahole Water System to ensure the continuation and expansion of diversified agriculture on the island of Oahu, boost the State's economy, and protect the Pearl Harbor aquifer.

Among other things, this bill also:

- (1) Authorizes the issuance of reimbursable general obligation bonds and appropriates funds for this purpose; and
- (2) Establishes the Waiahole Water System Revolving Fund to be used to acquire and operate the Waiahole Water System.

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

- (1) Require ADC to:
 - (a) Work toward obtaining commitments from landowners in the Leeward and Central districts of Oahu that their agricultural leases be for a 20-year period and their leases not be amended or revoked for a nonagricultural use of such land;
 - (b) Monitor the agricultural leases of lands utilizing water from the Waiahole Water System;
 - (c) Protect and defend the interests of the agricultural leaseholders to ensure the continual agricultural use for those lands;
- (2) Delete the exemption of ADC's assets from Chapter 92, Hawaii Revised Statutes (HRS), (Public Agency Meetings and Records); and
- (3) Delete the requirement that all water allocations in the Commission on Water Resource Management's final decision and order on the Waiahole Water System existing as of the effective date of this bill, remain in force until the general obligation bond debt under this bill expires or for 20 years commencing from the effective date of this bill, whichever is greater.

Your Committee on Conference has also amended this bill by:

- (1) Clarifying the legislative findings;
- (2) Correcting the bill's effective date to take effect upon its approval;
- (3) Updating the declaration of findings with respect to the general obligation bonds authorized in this bill; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2990, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2990, H.D. 2, S.D. 2, C.D. 1.

Representatives Jones, Say, Abinsay, Hamakawa and Whalen,
Managers on the part of the House.

Senators Taniguchi, Iwase, Baker, Fukunaga, Ihara, Kawamoto and McCartney,
Managers on the part of the Senate.

Conf. Com. Rep. 139 on H.B. No. 3443

The purpose of this bill is to facilitate the provision of loans for diversified agriculture and business ventures by, among other things:

- (1) Empowering the Department of Agriculture (DOA) to make loans from the Agricultural Loan Revolving Fund (Fund) to qualified farmers in economically depressed areas;
- (2) Appropriating \$2,000,000 out of the Fund for loans in economically depressed areas; and
- (3) Authorizing the Department of Business, Economic Development, and Tourism (DBEDT) to contract with any financial institution for services including administering commercial and personal loans for disaster relief and rehabilitation, and loans for small business concerns under the Capital Loan Program.

Your Committee on Conference has amended this bill by:

- (1) Specifying that the authorization by DBEDT and DOA to contract with any financial institution for services includes servicing as well as administering loans;
- (2) Establishing an Economic Development Loan Fund into which may be deposited moneys from economic development loans that are available to DBEDT and DOA;
- (3) Establishing the Economic Development Administrative Procedures Loan Committee to administer the Economic Development Loan Fund;
- (4) Adding language consistent with the loan project in this bill, to the direct loan provisions of the Aquaculture Loan Program chapter of the Hawaii Revised Statutes; and

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3443, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3443, H.D. 1, S.D. 2, C.D. 1.

Representatives Herkes, Chang, Ito, Suzuki and Fox,
Managers on the part of the House.

Senators Taniguchi, Baker, Fukunaga, Chumbley and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 140 on H.B. No. 2560

The purpose of this bill is to afford the University of Hawaii (University) a substantial degree of flexibility in managing its resources to enable it to more fully achieve its multiple mission of teaching, research, and community service.

More specifically, this bill:

- (1) Exempts the University from the requirement that the Attorney General represent all state departments; authorizes the Board of Regents (BOR) to appoint or retain attorneys; and requires the University to be represented by attorneys hired by the BOR;
- (2) Authorizes the BOR to indemnify collaborating institutions;
- (3) Authorizes the University to contract with the Research Corporation of the University of Hawaii in certain situations;
- (4) Mandates the dissolution of a number of administratively-created special funds;
- (5) Establishes the following funds:
 - (A) Community Services Special Fund;
 - (B) Auxiliary Enterprises Special Fund;
 - (C) Facilities Use Revolving Fund;
 - (D) Workers' Compensation and Unemployment Insurance Compensation Special Fund; and
 - (E) Workers' Compensation and Unemployment Insurance Compensation Revolving Fund;
- (6) Requires the BOR to ensure that special and revolving funds are managed fairly and equitably;
- (7) Exempts University special funds from central services and departmental administrative expenses;
- (8) Exempts the University from transferring excess moneys from special funds to the general fund;
- (9) Authorizes the BOR to define the characteristics of equipment for inventory, financial statements, and other purposes;
- (10) Authorizes the University President to approve expenditures from certain special and revolving funds exceeding the amount appropriated;
- (11) Requires the University President to report on certain special and revolving funds;
- (12) Authorizes the BOR to negotiate with the unions for the faculty and administrative, professional, and technical staff to establish an optional retirement system, and requires the University to develop policies to implement an optional retirement plan;
- (13) Requires the BOR to study optional retirement systems;
- (14) Repeals the requirement for the salary of the University President to be set by the BOR until 2011, and by the Legislature thereafter;
- (15) Requires the University to submit its budget to the Legislature when it submits it to the Director of Finance;
- (16) Authorizes the University to transfer funds and positions for the operating cost category among programs, among cost elements in a program, and between quarters; also authorizes the BOR to transfer position counts within programs;
- (17) Authorizes University vehicles to bear the University logo or seal;
- (18) Repeals the minimum ratio between nonresident tuition and resident tuition;
- (19) Exempts the BOR from the procurement law for goods, services, and construction;
- (20) Exempts the BOR from Chapter 102, Hawaii Revised Statutes (HRS), when entering concession agreements;

- (21) Limits claims against the University and limits liability incurred by the University, to the assets of the University;
- (22) Authorizes the University to purchase liability insurance;
- (23) Sets a range for general fund appropriations at three to five times the tuition revenues, and sets criteria for considering general fund appropriations;
- (24) Authorizes the University to deposit special fund moneys in depositories other than the state treasury;
- (25) Places all University personnel, rather than only the faculty, under the President, and exempts them from the citizenship and residency requirements for state employees;
- (26) Authorizes the BOR to adopt rules related to professional improvement leaves;
- (27) Requires summer and continuing education credit tuition to be deposited in the Tuition and Fees Special Fund;
- (28) Repeals the ceiling of resident undergraduate tuition at thirty percent of the estimated average annual cost of education;
- (29) Exempts the BOR from the requirements of Chapter 91, HRS, in establishing an aquarium admission fee, but subjects the BOR to the open public meeting requirements of Chapter 92, HRS;
- (30) Authorizes the BOR to participate in educational consortia in addition to the Western Governors University;
- (31) Requires the University President to report on decentralization efforts;
- (32) Requires the BOR and the Director of Finance to agree on a mechanism for financing the purchase of equipment for University buildings;
- (33) Makes an unspecified appropriation for legal services;
- (34) Makes an appropriation from the Facilities Use Revolving Fund;
- (35) Makes appropriations from the Workers' Compensation and Unemployment Insurance Compensation Special and Revolving Funds;
- (36) Creates an early retirement incentive for University faculty and academic executive/managerial employees who are vested in the Employees Retirement System and who are at least 54 years of age; and
- (37) Exempts the University from the provisions of another bill prohibiting the filling of all vacant state positions, by authorizing the University President to fill up to 60 vacant positions.

Your Committee on Conference has amended this bill by:

- (1) Exempting the University from the public notice, public hearing, and gubernatorial approval requirements of Chapter 91 in setting fees, but subjecting the University to the open meeting requirements of Chapter 92;
- (2) Requiring, rather than authorizing, the University to contract with the Research Corporation of the University of Hawaii (RCUH) in certain types of general situations;
- (3) Deleting examples of specific types of situations in which the University may request services from RCUH;
- (4) Authorizing the University President to approve expenditures exceeding the amount appropriated when revenues, rather than expenditures, exceed the amount appropriated to certain special and revolving funds;
- (5) Creating an organizational structure for the optional retirement system that the BOR is authorized to establish;
- (6) Requiring the BOR to set the salary of the University President;
- (7) Deleting the requirement for the BOR to study optional retirement systems;
- (8) Deleting the authority of the BOR to transfer position counts within programs, which is also found in another portion of the bill;
- (9) Clarifying that the personnel under the direction of the University President are those who are not subject to Chapters 76 and 77, Hawaii Revised Statutes;
- (10) Extending from June 30, 2000, to June 30, 2005, the sunset date of Act 321, Session Laws of Hawaii 1986, as amended, which grants the University fiscal flexibility;
- (11) Authorizing the BOR to approve the extension of the temporary intergovernmental assignment of employees;
- (12) Deleting the appropriation for legal services;
- (13) Deleting the early retirement incentive;

- (14) Deleting the authority for the University President to fill up to 60 vacant positions; and
- (15) Making technical, nonsubstantive revisions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2560, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2560, H.D. 2, S.D. 2, C.D. 1.

Representatives Morihara, Say, Goodenow, Takai, Tarnas, Halford and Moses,
Managers on the part of the House.

Senators Aki, Tam, Fukunaga, Baker, Ihara, Iwase, McCartney and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 141 on S.B. No. 379

The purpose of this bill is to impose a refundable deposit of \$1.75 on the sale of each new motor vehicle tire that is not accompanied by a trade-in tire.

This bill was recommitted to your Committee on Conference to allow the Co-Chair of a fiscal committee to sign the committee report. Accordingly, this committee report resubmits the contents of Conference Committee Report No. 128.

Specifically, this bill requires tire retailers to:

- (1) Collect a \$1.75 deposit, at the point of sale, for each new motor vehicle tire purchased by a customer not accompanied by a motor vehicle tire;
- (2) Issue a \$1.75 refund for each motor vehicle tire returned by a customer along with a proof of purchase issued by the same retailer dated after July 1, 1998; and
- (3) Post a written notice that states: "Beginning July 1, 1998, state law requires us to charge a \$1.75 refundable deposit for each new tire you purchase that is not accompanied by a trade-in tire. This deposit will be refunded upon the return of your trade-in tire along with a proof of purchase from this store."

Your Committee has amended S.B. No. 379, S.D. 2, H.D. 2, by:

- (1) Increasing the amount of the deposit to \$7 per tire;
- (2) Requiring all scrap tire haulers to provide evidence, to the retailer from which the tires were collected, of delivery of the used motor vehicle tires to a permitted tire processor or recycler;
- (3) Requiring all motor vehicle tire retailers to require from scrap tire haulers evidence that their used tires are being disposed of through a permitted tire processor or recycler;
- (4) Requiring all retailers of motor vehicle tires to maintain records of the disposal/recycling of their used tires for a minimum of three years, and to make the records available for review by the Department of Health on request;
- (5) Requiring retailers to honor proof of purchases issued after June 30, 1998, rather than after July 1, 1998, to be consistent with the posting requirement and the imposition of the refundable deposit, which take effect on July 1, 1998; and
- (6) Making a technical nonsubstantive change for purposes of style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 379, S.D. 2, H.D. 2, C.D. 1, as recommitted, and recommends that it pass Final Reading in the form attached hereto.

Representatives Yoshinaga, Kanoho, Chang, Goodenow and Meyer,
Managers on the part of the House.

Senators Levin, Fernandes Salling, Chumbley, Matsunaga, Chun Oakland and Slom,
Managers on the part of the Senate.
(Senators Fernandes Salling and Slom did not concur.)

Conf. Com. Rep. 142 on S.B. No. 760

The purpose of this bill is to amend chapter 302A, Hawaii Revised Statutes (HRS), to establish a process for creating schools-within-schools.

This bill was recommitted to your Committee on Conference to allow the Co-Chair of a fiscal committee to sign the committee report. Accordingly, this committee report resubmits the contents of Conference Committee Report No. 129.

Your Committee finds that schools-within-schools offer opportunities for learning through a small school atmosphere, while enjoying the advantages that a larger school complex can provide.

Your Committee has amended S.B. No. 760, H.D. 2, by removing the specific provisions for the procedures to create schools-within-schools, and replaced them with language to:

- (1) Authorize any public school to establish schools-within-schools pursuant to rules adopted by the board of education (BOE);
- (2) Require the BOE to develop a plan by March 31, 1999, to encourage schools-within-schools at all schools; and
- (3) Require the Department of Education to adopt rules regarding schools-within-schools in accordance with chapter 91, HRS, by March 31, 1999.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 760, H.D. 2, C.D. 1, as recommitted, and recommends that it pass Final Reading in the form attached hereto.

Representatives Stegmaier, Say, Goodenow, Santiago and Fox,
Managers on the part of the House.

Senators Tam, Aki, Fukunaga, D. Ige, McCartney and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 143 on S.B. No. 2204

The purpose of this bill is to improve the regulatory process by requiring government agencies to establish and adhere to maximum time periods for review and approval of all business and development related permit approvals and licenses not subject to federal review and approval, or the application would be deemed automatically approved.

This bill was recommitted to your Committee on Conference to make technical corrections to Conference Committee Report No. 127 which did not accurately reflect the contents of the C.D. 1 agreed upon in conference. The purpose of this Conference Committee Report is to affirm the discussion, findings, and recommendation made in Conference Committee Report No. 127 on S.B. No. 2204, S.D. 2, H.D. 2, by resubmitting its contents herein with the following changes:

- (1) The second paragraph of page 2 of Conference Committee Report No. 127 is replaced with two additional paragraphs; and
- (2) The term "quorum" is replaced with "quorum"; and
- (3) Other technical, nonsubstantive amendments.

Your Committee on Conference notes the continued concerns of some that automatic permit approval will be misused to short-circuit existing public input processes. Your Committee is confident that agencies will account for the preservation of such processes in their rulemaking.

Your Committee on Conference also notes continuing concerns with the interplay between automatic permit approval and various board and commission quorum requirements. Your Committee deleted the quorum amendment sections of this bill because the various quorum possibilities appeared to require further deliberation, and your Committee believes that the 1999 legislative session should address this issue as the automatic permit approval rules come into effect.

In some cases in which state permit processing time limits are already established by statute, your Committee on Conference further notes concerns with whether this bill alters the status quo without rulemaking to implement automatic permit approval. These concerns have been articulated with specific reference to the Land Use Commission under chapter 205, Hawaii Revised Statutes. Your Committee's intent is that all agencies to which this bill applies shall adopt rules implementing the purpose of this bill and that the status quo shall not be altered until such rules are adopted. Specifically, this bill is not meant to change the existing legal requirements for actions necessary to approve applications and petitions which must be voted on by boards and commissions, as long as the actions are taken within the time limits established by statute or rule.

Finally, your Committee on Conference notes questions with respect to whether section 6 of this bill applies the provisions of this bill and any resulting agency action to pending applications for business or development-related permits, licenses, or approvals, including but not limited to matters before the Land Use Commission and the Board of Land and Natural Resources. Your Committee intends that this bill shall apply purely prospectively.

Your Committee on Conference finds that the Department of the Attorney General expressed its concerns about the vagueness of certain terms and the possible constitutionality and conflict problems the bill would pose as drafted.

Accordingly, your Committee amended S.B. No. 2204, S.D. 2, H.D. 2, by:

- (1) Deleting specific time limits for review and approval processes;
- (2) Deleting references to "state" business and development-related permits under their jurisdiction;
- (3) Deleting the requirement that issuing agencies establish the deadline and form for administrative appeals;
- (4) Defining the term "application for a business or development-related permit, license, or approval";
- (5) Specifying that agencies must adopt rules establishing maximum time periods either on the first occasion that the agency's rules are amended or by December 31, 1999, whichever is earlier;

- (6) Amending the purpose section to reflect the changes in the bill and for clarity; and
- (7) Making technical, nonsubstantive changes for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2204, S.D. 2, H.D. 2, C.D. 1, as recommitted, and recommends that it pass Final Reading as attached hereto.

Representatives Menor, Say, Nakasone, Yoshinaga and Marumoto,
Managers on the part of the House.

Senators D. Ige, Metcalf, Levin, Fernandes Salling, Baker, Fukunaga, Chun Oakland, Kanno and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 144 on S.B. No. 2350

The purpose of this bill is to exempt glass container importers who import less than 5,000 glass containers per year from the advance glass disposal fee, and to permit importers who import between 5,000 and 100,000 containers to pay the fee annually instead of quarterly.

This bill was recommitted to your Committee on Conference to allow the Co-Chair of a fiscal committee to sign the committee report. Accordingly, this committee report resubmits the contents of Conference Committee Report No. 130.

Your Committee finds that it is not an efficient use of government resources to track down glass container importers who bring in fewer than 5,000 containers per year. It is also not an efficient use of time for businesses to require mid-range importers to file quarterly reports. This law will enhance effectiveness and efficiency for both government and business, while still requiring major importers, whose containers form the bulk of the glass container waste stream, to pay their fair share of the advance disposal fee.

Your Committee has amended S.B. No. 2350, S.D. 1, H.D. 2, by removing the provision that would have allowed counties to levy their own assessment or fee for the same or similar purpose as the State's advance disposal fee.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2350, S.D. 1, H.D. 2, C.D. 1, as recommitted, and recommends that it pass Final Reading in the form attached hereto.

Representatives Yoshinaga, Say, Goodenow, Morihara and Thielen,
Managers on the part of the House.

Senators Levin, Fernandes Salling, Fukunaga, Chun Oakland, Ihara and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 145 on H.B. No. 3403

The purpose of this bill is to deter theft and trespass on agricultural and aquacultural lands.

Specifically, this bill addresses these problems by:

- (1) Making it a criminal trespass in the first degree to knowingly enter or remain unlawfully in or upon agricultural land or aquacultural property that is fenced, enclosed, or secured in a manner to exclude intruders or on which is displayed the signage, "Private Property"; while providing an affirmative defense for lawful activity such as religious or recreational activities which do not result in the destruction or removal of property; and
- (2) Making the offense of theft in the second degree of an aquaculture product or of agricultural equipment, supplies, or products subject to the requirement that the theft occur on:
 - (a) Premises that are fenced, enclosed, or secured in a manner designed to exclude intruders; or
 - (b) Premises upon which there is displayed the signage, "Private Property."

Your Committee finds that farmers and ranchers suffer tremendous losses as a result of the theft of crops, livestock, and equipment. Many of these thefts go unreported each year because of past cases not being solved, lack of satisfactory resolution in the courts, and lack of restitution to the victim.

Your Committee finds that the real problem facing farmers and ranchers is the loss that results from theft of commercial crops and related equipment and not from simple trespass on their property. As such, your Committee believes that making simple trespass on agricultural land a full misdemeanor is too punitive and does not serve the public good. Although your Committee believes that some action must be taken to assist Hawaii's farmers and ranchers, your Committee feels that increasing penalties for simple trespass is not the answer and your Committee is hopeful that after further consideration and input by the agricultural community and law enforcement agencies, legislation can be developed to solve this serious problem.

However, your Committee does realize that the costs incurred under current signage requirements pursuant to section 708-831, HRS, are onerous and believe that this bill will reduce unnecessary costs to farmers and ranchers.

Upon further consideration, your Committee has amended this measure by deleting the provision relating to criminal trespass in the first degree.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3403, H.D. 2, S.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3403, H.D. 2, S.D. 1, C.D. 2.

Representatives Jones, Tom, Abinsay, Yamane and Whalen,
Managers on the part of the House.

Senators Taniguchi, Chumbley, Matsunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 146 on H.B. No. 1824

The purpose of this bill is to provide greater flexibility and autonomy to the Hawaii Health Systems Corporation (Corporation) in the management of its human resources. Among other things, this measure:

- (1) Gives the Corporation flexibility in hiring staff;
- (2) Exempts the Corporation from open meeting requirements for peer review and credentialing matters;
- (3) Provides that uncollectible accounts be referred to the Attorney General's Collection Unit for collection and legal enforcement;
- (4) Makes the Corporation responsible for collecting all outstanding accounts receivable on or after January 1, 1997;
- (5) Establishes a working group to identify and describe liabilities assumed by the Corporation as of the transfer date;
- (6) Requires the working group to submit a report to the Legislature before the convening of the 1999 legislative session; and
- (7) Requires the Attorney General to submit a report on all delinquent accounts owed to the Corporation that were handled by the Attorney General up through December 31, 1996, and the disposition of the accounts, to the Legislature before the 1999 legislative session.

After careful consideration, your Committee has amended this measure by deleting its contents and inserting language requiring the Corporation to use the Collections Unit of the Attorney General for a one-year period for all outstanding accounts that have been written off, returned from a private collection agency, or have a delinquency exceeding 365 days.

In making this amendment, your Committee has stipulated that:

- (1) The proceeds of any collections by the Attorney General on these accounts be deposited into the Health Systems Special Fund;
- (2) The Corporation continue to pay for all current full-time state employee positions in the Collections Unit of the Attorney General;
- (3) The Corporation pay for the planning, design, construction, and acquisition of equipment, furnishings, and software necessary for the development of a modern collections computer system for the Attorney General;
- (4) The Corporation's fiscal responsibility to the Collections Unit of the Attorney General be capped at \$650,000 for FY 1998-99;
- (5) The Attorney General submit a report to the Legislature by March 31, 1999, detailing the identity and disposition of all delinquent accounts for which it is responsible through December 31, 1998; and
- (6) This measure be repealed on July 1, 1999.

Furthermore, it is the intent of your Committee that the Corporation have the option, after June 30, 1999, on whether to retain the services of the Collections Unit of the Attorney General. Your Committee acknowledges that the Corporation must base its decision on cost-effectiveness and whether a private collection agency would make more financial sense in dealing with older accounts. As such, your Committee believes that one year is a reasonable period of time for both parties to work out the details of any future agreement.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1824, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1824, H.D. 2, S.D. 2, C.D. 1.

Representatives Santiago, Kawakami, Kahikina and Ward,
Managers on the part of the House.

Senators Levin, Fernandes Salling, Chun Oakland, Kanno, Baker, Fukunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 147 on H.B. No. 2500

The purpose of this bill is to provide supplemental appropriations for the Executive branch by amending the General Appropriations Act of 1997 (Act 328, Session Laws of Hawaii (SLH) 1997).

OVERVIEW

It has never been more apparent that the economic well-being of Hawaii is heavily dependent on external factors. The continued financial instability occurring in Asia, particularly Japan, has greatly affected the state of our local economy.

As required by the State Constitution, the Council on Revenues (Council) estimates economic growth based on various factors such as tourism statistics, construction growth, and inflation on a quarterly basis. In September 1997, the Council projected a general fund growth rate of 2.8 percent for both fiscal years (FY) 1997-1998 and 1998-1999. However, the March 1998 projection reduced growth rates to 1.2 and 1.0 percent, respectively. In its discussions, the Council acknowledged that the weak Asian economy has resulted in fewer visitors from Asian countries, and this is one of the major factors inhibiting Hawaii's economic recovery. The Council also found that mandated changes in personal income tax withholding rates has adversely impacted the collection of general fund revenues.

While such economic conditions are daunting, your Committee believes that there has never been a better time, or a greater opportunity, for the Legislature to make the structural changes necessary to reverse existing downward trends and drive the economy forward. Your Committee understands that such changes are essential if Hawaii is to successfully compete in the global marketplace.

To begin this change your Committee has provided for and ensured the continuation of services to meet the basic needs of residents and businesses in the State. Your Committee is cognizant that the executive budget bill is a critical component of the financial health of the State. It is the blueprint by which state government operates. Your Committee is also aware that other measures under consideration during the 1998 legislative session are essential to the acceleration of economic diversification and financial stability. Your Committee has, therefore, developed a supplemental budget that maintains government services while allowing for the passage of measures that will make a positive impact on the economy.

SUMMARY OF APPROPRIATIONS FOR FISCAL BIENNIUM 1997-1999

General Overview

Your Committee recognizes that the cost of government must be reduced to achieve a sound fiscal foundation. Your Committee has reviewed the executive budget to determine which program areas are considered "core" to government operations. Priority was given to those programs that provide health, safety, and basic education; generate revenue; support economic development, provide for the indigent, or are mandated at the federal or state levels.

Your Committee took the necessary steps to generate immediate savings to balance the budget in the current fiscal year while striving to establish a permanent reduction to the budget base. Funding for direct services was preserved to the greatest extent possible.

The general fund appropriations authorized in the operating budget consists of \$3,100,439,724 for FY 1997-1998 and \$2,989,716,409 for FY 1998-1999. The general fund appropriation for FY 1998-1999 represents a 3.4 percent decrease over the current fiscal year. Including other means of financing, the total operating budget consists of \$5,779,542,381 for FY 1997-1998 and \$5,730,944,043 for FY 1998-1999.

Capital improvement funds authorized in this bill consist of \$1,281,951,000 for FY 1997-1998 and \$1,471,189,000 for FY 1998-1999. Of these sums, \$581,651,000 in FY 1997-1998 and \$475,910,000 for FY 1998-1999 would be financed through the issuance of general obligation bonds.

To reduce the level of general fund support to governmental operations, your Committee has converted \$5 million from general funds to special funds in various program areas. It is your Committee's intention to encourage the trend toward self-sufficiency when warranted, without adversely affecting program operations.

Economic Development

Tourism continues to be the primary industry in Hawaii. After years of being unchallenged as the destination of choice, the State faces serious competition for visitor industry dollars. Emerging worldwide markets have forced serious reconsideration regarding the level of support provided to the tourism industry. As such, the Economic Revitalization Task Force proposed a dedicated source of funding for tourism promotion and marketing. Through this measure, funds will be earmarked and used to attract a greater number of visitors and to recapture Hawaii's portion of the visitor industry.

Your Committee has advocated the creation of a Tourism Authority that will be responsible for establishing statewide policies relating to tourism and will develop a comprehensive plan to ensure that tourism remains a viable industry. The centralization of services, functions, and funding of tourism under a single entity will improve accountability, efficiency, and effectiveness and the overall marketing efforts of the State.

Recognizing the need to stimulate the economy by diversifying the tourism base, your Committee secured \$1.1 million to ensure that the NFL Pro Bowl will be held in Hawaii through 2001, with an option for an added year. In addition, your Committee provided funds to promote the 1999 Sony Hawaiian Open and other sporting events in recognition that Hawaii will gain invaluable exposure through worldwide media coverage.

In keeping with its effort to utilize existing resources more efficiently and effectively, your Committee supported the Department of Agriculture's efforts to become more self-sufficient. The Animal Quarantine and Milk Control programs were converted from being supported by general funds to special funds, which will result in a savings of \$1.2 million. In recognizing the importance of the State's beef industry, your Committee appropriated \$20,000 to investigate the cause of

bovine tuberculosis on Molokai. Your Committee also provided over \$450,000 for various agriculture research programs that are essential to the success and future development of the industry.

Transportation

The impact transportation plays on the quality of life is indisputable. Transportation strategies must remain progressive, yet sensitive to the communities involved and the affected areas to have an accepted, integrated system. With this in mind, your Committee supported statewide improvements to transportation facilities and infrastructure for airports, highways and harbors.

In reviewing the Department of Transportation's capital improvement program, your Committee supported the construction of a commercial fishing village at Honolulu Harbor to consolidate commercial fishing activities and promote economic development endeavors in the area. Funds were also appropriated for a ferry service system to be matched by 80 percent federal funds, upon receipt of federal approval. The Department of Transportation has also been authorized to develop and implement an intra-island ferry system to increase transportation options within the State.

Environmental Protection

Hawaii's natural environment is one of the State's most valuable resources. To protect and sustain the environment, your Committee addressed the issue of alien species. Funds were provided to continue eradication efforts against the damaging effects of miconia, the invasive weed currently spreading throughout the State. In addition, funds were appropriated to continue efforts in preventing the entrance of the brown tree snake into Hawaii.

Health

The appropriations authorized by your Committee in the area of health will protect the physical and psychological well-being of the people of Hawaii through sustaining core public health functions, including maintaining the current level of funding for purchases of services.

Your Committee continues to have concerns regarding the State's compliance with the Felix v. Cayetano Consent Decree and the United States Department of Justice Settlement Agreement. Your Committee is particularly concerned that while funding obligations continue to increase, noncompliance issues remain at the forefront.

However, your Committee is encouraged by the recent progress made by the Departments of Health and Education. For the first time, all stakeholder agencies appear to be working collaboratively to ensure special education services are provided more efficiently, effectively, and appropriately. Your Committee finds that a delineation of services has been seriously lacking, resulting in the failure to adequately address services at the school and the residential in-patient levels. Your Committee strongly recommends that the Departments of Health and Education cooperate and expeditiously resolve their differences, and satisfy the terms of the Decree.

To move toward compliance status, your Committee has appropriated \$15.6 million for outpatient, residential, and respite services needs of the child and adolescent mental health population. The funding will also provide for a management information system for client care in compliance with the Felix decree.

Your Committee provided funding in the amount of \$8 million to the Hawaii Health Systems Corporation (Corporation) to offset projected operating losses. However, your Committee continues to be concerned with the inability of the Corporation to attain self-sufficiency and its continued reliance on general fund appropriations. Of primary concern to your Committee is the Corporation's inability to collect receivables to offset its cash and operating shortages. Accordingly, your Committee strongly encourages the Corporation to aggressively pursue and collect more than \$45 million in accounts receivable estimated to be collectible.

Lastly for funding was authorized for emergency ambulance services for Maui County, specifically in the remote area of Hana. Your Committee also appropriated \$800,000 to the Hana Medical Center to offset operating losses as it continues to strive towards self-sufficiency.

Human Services

The human services budget authorized by your Committee was based on actual caseload projections and reflects current expenditures. As a result, financial assistance to qualified recipients has been maintained at current levels, including the Welfare to Work Program. Your Committee continues to support the community health services safety net by funding the primary health care centers, as well as a host of services for victims of domestic violence, abuse, and the frail and vulnerable in our State.

Education

Education has been and will continue to be the cornerstone of a qualified, skilled workforce and the basis for economic growth. In setting higher standards in education, we challenge our children to achieve. The State can then expect more and will receive more from its students.

Your Committee recognizes that it is the responsibility of the Board of Education (BOE) to develop policy and the obligation of the Department of Education (DOE) to implement these policies. Your Committee is aware of the transition period that will occur with the selection of a new School Superintendent. Your Committee encourages the BOE and DOE to use this rare opportunity to further evaluate and reshape the direction of the Department to maximize available resources, and improve direct services to the classrooms to develop an educated, prepared workforce.

Higher Education

Your Committee continues the Legislature's commitment to make the University of Hawaii a preeminent institution of higher learning. As such, your Committee has supported measures that will assist the University in achieving this goal by allowing the University greater discretion to set its own priorities, manage its own resources, and develop stronger entrepreneurial approaches. It is the intent of your Committee to empower the Board of Regents and the University administration with increased decision-making authority and to enhance the framework for decentralized decision-making to the lower levels of the University system. This structure is appropriate for the dynamic environment in which the University finds itself and is the only way in which the University will be able to effectively create and implement programs that have economic and academic impact and benefits. With these tools, your Committee believes that the University can attain increased national and international recognition, and a distinguished level of excellence in an increasingly competitive environment.

Public Safety

For years, the lack of prison bed space has been the most significant problem facing Hawaii's criminal justice system, as overcrowded conditions continue to obstruct compliance with the Spear Consent Decree. As such, your Committee has provided \$5.4 million to transfer 300 inmates to out-of-state correctional facilities. Your Committee acknowledges that this means of alleviating prison overcrowding is not the ideal solution and has also provided funding for the planning of a new medium security prison.

Emergency Appropriations

In addition to providing for the State's future needs, your Committee also had the difficult challenge of providing emergency funding for this current fiscal year. Your Committee approved several measures making emergency appropriations to address shortfalls in the current fiscal year as follows:

- (1) \$9,663,442 for the Department of Health to meet its obligations to provide services to certain emotionally disturbed children and adolescents. Under the *Felix v. Cayetano* consent decree, the State is mandated to fully implement a new system of care for these children and adolescents by June 30, 2000, pursuant to their entitlements under the Individual Disabilities Education Act and section 504 of the Vocational Rehabilitation Act. This emergency appropriation responded to the increase in case referrals and court-ordered placements (H.B. No. 2854 enacted as Act 7, SLH 1998);
- (2) \$3,300,000 to host the 1998 Miss Universe Pageant. As one of the most watched programming in the world, the live, two-hour, prime time special will bring Hawaii into the homes of millions of American viewers and hundreds of millions of people in more than 75 countries. Hosting this pageant will add luster and depth to Hawaii's appeal as a world-class destination for leisure and business travelers (H.B. No. 2997 enacted as Act 15, SLH 1998);
- (3) \$2,151,800 for the Department of Public Safety to transfer an additional 300 inmates to out-of-state correctional facilities to avoid overcrowding. Currently, some criminal offenders are either avoiding incarceration altogether or prisoners are being released prior to the expiration of their sentences due to the lack of bed space (H.B. No. 3032 enacted as Act 8, SLH 1998);
- (4) \$1,000,000 to pay judgements and claims under the Unclaimed Property Program (H.B. No. 2802 enacted as Act 14, SLH 1998);
- (5) \$455,045 for the Department of Health to provide community-based services for adults with serious mental illnesses, namely, discharged patients of the Hawaii State Hospital. This emergency funding is necessary to implement the November 1997 findings of a federal report regarding the development of an expanded outpatient community mental health infrastructure (H.B. No. 2859 enacted at Act 6, SLH 1998);
- (6) \$200,000 for the Clean Hawaii Center to support local recycling or remanufacturing businesses that manufacture products from waste such as paper, glass, plastics, green waste and construction demolition materials (H.B. 2788 enacted as Act 9, SLH 1998); and
- (7) \$100,000 to enable the University of Hawaii to meet its responsibilities for funding the workers' compensation costs of its employees (H.B. No. 2901 enacted as Act 16, SLH 1998).

CONCLUSION

Your Committee has crafted a budget that maintains fiscal integrity within the constraints of the current economic condition of the State. While financial resources were limited, your Committee found ways to reduce the general fund operating budget while sustaining the core functions of state government.

Your Committee notes that there must be a commitment to correct weaknesses in our economic structure and that sound fiscal policies must continue to be developed. Through a prudent fiscal approach, your Committee is confident that this amended budget is the first step toward economic recovery. Your Committee believes that this budget, coupled with other measures, will boost Hawaii's economy and substantially improve the quality of life in Hawaii.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2500, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2500, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Abinsay, Ahu Isa, Chang, Goodenow, Hamakawa, Ito, Kahikina, Kanoho, Kawakami, Nakasone, Suzuki, White, Fox, Marumoto and Meyer,

Managers on the part of the House.

Senators Baker, Fukunaga, Chun Oakland, Fernandes Salling, M. Ige, Ihara, Iwase, Kawamoto, Levin, McCartney, Tam, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 148 on H.B. No. 2710

The purpose of this bill is to provide the supplemental appropriations for the Judiciary by amending the Judiciary Appropriations Act of 1997 (Act 155, Session Laws of Hawaii 1997).

The Judiciary has the monumental task of ensuring civil justice, adjudicating those who violate the law, and upholding the constitutions of both the United States and the State of Hawaii. This responsibility must be balanced with the State's resources. The current fiscal crisis makes it imperative to reduce the Judiciary budget but, because the majority of the Judiciary's expenses are fixed costs, this task becomes onerous.

The Judiciary is aware of the State's monetary shortfall and has made substantial efforts to reduce its own budget while maintaining its current level of services. Through the combined efforts of your Committee on Conference and the Judiciary, several reductions have been made in the Judiciary's budget.

The Judiciary's 1999 supplemental budget totalled \$1,618,479 when it was initially submitted to the Legislature. The request was primarily to add two judgeships and security improvements on Oahu and the Big Island.

Cognizant of the State's financial crisis, the Judiciary submitted a letter via the Chief Justice on February 2, 1998, which reduced the initial request by \$508,704. In addition, your Committee on Conference asked the Judiciary to provide suggestions for a 5 percent reduction to the supplemental budget. Your Committee has used many of these suggestions, incorporating the Judiciary's program priorities, in formulating the Judiciary's budget.

To offset the need for greater budget reductions and at the request of the Judiciary, the Legislature has agreed to a bill allowing for increases in many of the Judiciary fees. In addition to this offset which will pass off many of the costs to the end users, this measure is expected to generate over \$2.9 million in added revenue to the State general fund.

Your Committee on Conference addressed the Judiciary's and the public's most pressing needs by:

- (1) Providing security services for the first circuit district courts of Ewa, Waianae, Wahiawa, and Kaneohe; the third circuit district courts of Hilo, Kona, and South Kohala;
- (2) Providing a camera surveillance system for Kauiekaouli Hale District Court in Honolulu; and
- (3) Providing for utilities and janitors for the First Circuit Court of Appeals when it moves to the Kapuaiwa building in August 1998.

In addition, based on the growing public intolerance of domestic violence and child abuse, your Committee on Conference has:

- (1) Raised the ceiling for the Spouse and Child Abuse Special fund; and
- (2) Continued funding for a domestic violence drop-in center.

Continued funding for the drop-in center will allow additional resources to be used to address the recent rash of high-profile domestic violence and child abuse cases.

Your Committee on Conference expresses its gratitude to the Judiciary for its efforts to reduce its own budget in response to the State's fiscal crisis.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2710, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2710, H.D. 1, S.D. 1, C.D. 1.

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

Senators Baker, Fukunaga, Chun Oakland, Fernandes Salling, M. Ige, Ihara, Iwase, Kawamoto, Levin, McCartney, Tam, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 149 on H.B. No. 1800

The purpose of this bill is to authorize the allocation of investment earnings to the respective general, special, bond, trust, or agency fund when the investments from these funds are pooled.

This bill has been amended by repealing section 38-9, Hawaii Revised Statutes, which requires interest earned on moneys from a special fund to be paid into the special fund.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1800, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1800, S.D. 1, C.D. 1.

Representatives Suzuki, White and Marumoto,
Managers on the part of the House.

Senators Baker, Kawamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 150 on H.B. No. 2800

The purpose of this bill is to enhance the State Treasury income by authorizing the Director of Finance to:

- (1) Invest in commercial paper and bankers' acceptances, two widely-used short-term securities, provided these securities have an A1/P1 or equivalent rating by any national securities rating service; and
- (2) Invest no more than ten percent of any moneys of the State available for deposit in linked investments through agreements with eligible lending institutions.

Your Committee on Conference has amended this bill by deleting the provision that authorizes the Director of Finance to invest moneys of the State in linked investments through agreements with eligible lending institutions.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2800, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2800, S.D. 1, C.D. 1.

Representatives Suzuki, Kanoho, White and Meyer,
Managers on the part of the House.

Senators Baker, Fukunaga, Chun Oakland, Levin, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 151 on H.B. No. 2803

The purpose of this bill is to improve the administration of the Employees' Retirement System (ERS). Among other things, this measure would:

- (1) Revise the annual salary assumption for actuarial valuations of the Employees' Retirement System (ERS) to ensure that it is consistent with the State's current financial plan;
- (2) Establish a single service-connected disability retirement benefit, provide a benefit based on 50 percent of the member's average final compensation for individuals retiring for service-connected disabilities, and refund all accumulated contributions to a member retiring for a service-connected disability;
- (3) Eliminate partial cash and reduced annuity payment to simplify benefit calculation and reduce the number of semimonthly annuity payments;
- (4) Make contributory and noncontributory plan provisions consistent by enabling retirants who return to service before July 1, 1998, work for at least three years, and retire again, to have their pensions recomputed as if they are retiring for the first time;
- (5) Grant the ERS greater flexibility in making investments;
- (6) Allow elected officials to retire on paper upon attaining the maximum pension benefit ceiling of 75 percent; and
- (7) Merge the Minimum Pension Fund with the Pension Accumulation Fund to enact housekeeping measures for the Pension Bonus Fund.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2803, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2803, S.D. 2, C.D. 1.

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

Senators Kanno, Chun Oakland, Baker, Fukunaga, Metcalf, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 152 on S.B. No. 2386

The purpose of this bill is to allow the creation of coordinated care organizations (CCO) to provide workers' compensation medical benefits to injured workers.

This measure introduces managed care into the workers' compensation system by providing the required medical and rehabilitation services. Managed care is a term that describes health care systems that integrate the financing and

delivery of appropriate health care services to covered individuals by arrangements with selected providers to furnish health care services. However, your Committee has deliberately refrained from characterizing this bill as managed care, preferring to allow a CCO the latitude to determine its own method for delivery of services.

Your Committee believes that this bill will reduce the costs of delivering health care services to injured workers, lower workers' compensation premiums, ensure high quality health care for injured workers, and assure adequate protection to injured workers' rights within a CCO system. Your Committee envisions that cost savings will also be realized through appropriate and timely return to work, requiring workplace health and safety programs, and minimizing the adversarial nature of the workers' compensation system.

As to reducing workers' compensation claims and insurance premiums, your Committee is cautiously optimistic that this bill will lower those costs. Actuarially defensible projections are not feasible because of the lack of claims experience in Hawaii under a CCO system. Therefore, your Committee has deliberately refrained from mandating a rate reduction, but has provided that the task force will also compare workers' compensation insurance premiums paid by employers before and after utilizing CCO.

As to quality of care and related issues, the study by the Legislative Reference Bureau will evaluate the effectiveness of treatment, quality of care, accessibility of medical specialists on all islands, timeliness of receiving care, and extent of implementation of workplace health and safety. The study is intended to provide feedback to the Legislature on the medical care issues in order for the Legislature to adequately evaluate the CCO system to assure that workers are receiving quality care. The priority of your Committee is that CCO attain and maintain a quality level of care for the injured worker. Without proper medical treatment, this bill is meaningless regardless of any cost savings.

The primary concern of the Legislature is that injured workers continue to have a choice of providers, as currently provided under section 386-21(b), Hawaii Revised Statutes, regardless of whether the employer is enrolled in a coordinated care organization. The Legislature finds that the health and well-being of injured workers should take precedence over the form of delivery of workers' compensation medical benefits.

Your Committee finds that employers who are subject to negotiated collective bargaining agreements for benefits coverage under section 386-3.5, Hawaii Revised Statutes, should not unilaterally enter into a coordinated care organization system, but instead do so through collective bargaining. The focus of this bill is for employers who are not subject to collective bargaining, to have access to coordinated care organization.

This measure represents a determined and successful effort by the Senate and the House to reach agreement on this important and controversial issue. This measure is the product of many months of work in the Legislature to craft a bill that is equitable, effective, and workable for everyone concerned, including labor, management, medical providers, insurers, and the Department of Labor and Industrial Relations. Your Committee is satisfied that this measure is a balanced approach to preserving the rights and interests of labor and management. The Legislature will revisit this issue before the sunset date to evaluate the effectiveness of CCO and to decide whether to continue with the program. Your Committee has expectations for the success of CCO to fulfill its purposes as stated in the measure.

Your Committee upon further consideration has amended S.B. No. 2386, S.D. 2, H.D. 2, by deleting its contents and inserting provisions from H.B. No. 2624, H.D. 2, S.D. 1, with the addition of the following amendments:

- (1) Adding that coordinated care shall apply only with the mutual authorization of a collective bargaining unit, if applicable, and the employer;
- (2) Changing the terminology from "medical and rehabilitative benefits" to "medical and rehabilitative services" to avoid confusion with insurance, since CCO are not insurers;
- (3) Allowing as the formation of a CCO by an association, partnership, or professional corporation of physicians, hospitals, rehabilitation services, and emergency care providers and requiring them to post bond with the Insurance Commissioner for solvency purposes;
- (4) Requiring an employer to offer at least two CCOs to employees who may select one or none;
- (5) Requiring the employer to provide information to the employee prior to the employee's selection of a CCO;
- (6) Allowing an employee to disenroll from a CCO after a definitive diagnosis or three visits, whichever occurs first, and clarifying that the employee's right to a choice of provider under current law is not affected;
- (7) Requiring the employer's workers compensation insurer or the self-insured to pay for emergency care for a work injury;
- (8) Requiring a "study" rather than a "closed claims study" to be conducted by the Legislative Reference Bureau rather than the Insurance Commissioner, and adding that the study include an evaluation of timeliness of receiving care and extent of implementation of workplace health and safety programs; the requirements of the study;
- (9) Changing the repeal date from June 30, 2001, to June 30, 2002, to give adequate time for demonstration of the coordinated care system, and changing the reporting dates for the task force and the Legislative Reference Bureau reports to twenty days prior to the Regular Session of 2002; and
- (10) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2386, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2386, S.D. 2, H.D. 2, C.D. 1.

Representatives Yonamine, Menor, Say, Nakasone and Marumoto,
Managers on the part of the House.

Senators Kanno, Chun Oakland, Fukunaga, Metcalf, D. Ige, McCartney, Solomon and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 153 on S.B. No. 2689

The purpose of this bill is to add certain state and county officials to Class A membership in the Employees Retirement System.

Your Committee upon further consideration has amended S.B. No. 2689, S.D. 2, H.D. 2, by adding to Class A membership managing directors or administrative assistant to the mayor.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2689, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2689, S.D. 2, H.D. 2, C.D. 1.

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

Senators Kanno, Chun Oakland, Fukunaga, Baker and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 154 on H.B. No. 3625

The purpose of this bill is to reorganize government by:

- (1) Reorganizing the Department of Agriculture (DOA) to ensure that DOA is equipped with adequate powers and resources to provide for the current and future needs of agriculture by:
 - (a) Establishing the Hawaii Aquaculture Advisory Council under DOA, thereby repealing the Aquaculture Advisory Council, which is currently under the Department of Land and Natural Resources (DLNR);
 - (b) Transferring the Aquaculture Program and all related employees, equipment, property, and other resources, which are currently under DLNR, to DOA;
 - (c) Requiring DOA to identify problems related to agriculture and the appropriate state agencies and departments needed to solve the problems, and with the Governor's approval, requiring the designated agencies to provide any necessary assistance to the Chairperson of the Board of Agriculture (BOA) until the problems are resolved;
 - (d) Exempting lands to which the Agribusiness Development Corporation (ADC) holds title from the definition of "public lands" under Chapter 171, Hawaii Revised Statutes (HRS) (Public Lands, Management and Disposition of);
 - (e) Repealing the agricultural development function under the Department of Business, Economic Development, and Tourism (DBEDT); and
 - (f) Appropriating funds for the Aquaculture Program and for ADC;
- (2) Transferring certain programs under Chapter 329, HRS (Uniform Controlled Substances Act), from the Department of Public Safety (PSD) to the Department of Health (DOH) and eliminating one deputy director position within PSD;
- (3) Transferring the Business Action Center from DBEDT to the Department of Commerce and Consumer Affairs (DCCA);
- (4) Transferring the State Health Planning and Development Agency from DOH to DBEDT;
- (5) Transferring the Office of Environmental Quality Control from DOH to DBEDT;
- (6) Repealing various positions within the Department of the Attorney General and the Interdepartmental Cluster for Services to Children Program of DOH;
- (7) Expanding the uses of the Aina Hoomalu Special Fund;
- (8) Amending the funding mechanism for DBEDT's Financial Services Assistance Program (Program) by making the Capital Loan Revolving Fund the primary source of revenue for the Program; and
- (9) Allowing for the elimination of school health aide floater positions with DOH.

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

- (1) Changing the composition of the ADC Board of Directors to consist of members of the BOA, effective July 1, 1999;
- (2) Eliminating the appropriations for the Aquaculture Program and the ADC;
- (3) Eliminating the transfer of:
 - (a) Certain programs under Chapter 329, HRS (Uniform Controlled Substances Act), from PSD to DOH and retaining the deputy director position within PSD;
 - (b) The Business Action Center from DBEDT to DCCA;
 - (c) The State Health Planning and Development Agency from DOH to DBEDT; and
 - (d) The Office of Environmental Quality Control from DOH to DBEDT;
- (4) Retaining:
 - (a) Various positions within the Department of the Attorney General; and
 - (b) The Interdepartmental Cluster for Services to Children Program of DOH;
- (5) Eliminating the provision expanding the uses of the Aina Hoomalu Special Fund;
- (6) Retaining school health aide floater positions with DOH; and
- (7) Making technical, nonsubstantive amendments.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 3625, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3625, H.D. 3, S.D. 2, C.D. 1.

Representatives Say, Jones, Santiago, Chang, Kanoho, Meyer and Whalen,
Managers on the part of the House.

Senators Taniguchi, Baker, Fukunaga, Ihara, Kawamoto, Levin, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 155 on S.B. No. 2254

The purpose of this bill, as received by your Committee, is to provide prostitution intervention services to persons who are convicted of prostitution offenses as a condition of their probation.

Your Committee finds that prostitution is a multi-faceted problem which requires efforts to encourage persons involved in the sex industry to seek alternative lifestyles and employment options. Your Committee further finds that persons involved in prostitution are often not capable of exploring these options, and thus they need assistance in finding educational and employment opportunities that will support their desire to leave prostitution.

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

- (1) Providing that any offense for which a person is convicted of prostitution is probationable;
- (2) Providing that the court may impose prostitution intervention classes for only one term of probation; and
- (3) Deleting the appropriation section.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2254, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2254, S.D. 2, H.D. 2, C.D. 1.

Representatives Tom, Ito, White, Yamane and Fox,
Managers on the part of the House.

Senators Matsunaga, Chumbley, Fukunaga, Ihara and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 156 on S.B. No. 2966

The purpose of this bill is to allow the monetary assessment of convicted criminal defendants to fund disbursements made by the Criminal Injuries Compensation Commission.

This bill was recommitted to your Committee on Conference to allow the Co-Chair of a fiscal committee to sign the committee report. Accordingly, this committee report resubmits the contents of Conference Committee Report No. 123.

Your Committee finds that the state compensation of victims of criminal acts is well founded in public policy and is the law in every state of the Union. Your Committee also finds that thirty-four states administer compensation programs that are financially self-sufficient and funded from fees, fines, penalties, civil recoveries and/or restitution. Considering the State's economic situation, adoption of such a program here would be prudent and consistent with the Legislature's objective of cutting government costs.

S.B. No. 2966, S.D. 2, H.D. 2, allows the assessment of a fee against convicted criminals based on the severity of their crime. Fees would range from not less than \$25 nor more than \$100 for a petty misdemeanor conviction, not less than \$50 nor more than \$500 for a misdemeanor conviction, and not less than \$100 nor more than \$5,000 for a felony conviction. The bill also provides criteria for imposing the fee, replaces the Director of Finance with the the Director of Public Safety as the administrator of the Criminal Injuries Compensation Fund which serves as the repository for the assessed fees, provides criteria for the uses of the fees, and allows the courts to impose the fee on convicted criminals. The bill also provides an unspecified appropriation.

Your Committee has amended S.B. No. 2966, S.D. 2, H.D. 2, by:

- (1) Requiring instead of allowing the imposition of the fee;
- (2) Reducing the maximum fee that may be assessed for a felony conviction from \$5,000 to \$500;
- (3) Setting the fee for a misdemeanor conviction at \$50;
- (4) Setting the fee for a petty misdemeanor conviction at \$25;
- (5) Requiring instead of allowing the court to waive the imposition of the fee if a defendant is unable to pay the fee;
- (6) Increasing the proposed percentage of funds in the Criminal Injuries Compensation Fund that may be used for operating expenses and positions from twenty to thirty per cent;
- (7) Removing the appropriation section of the bill; and
- (8) Making technical non-substantive amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2966, S.D. 2, H.D. 2, C.D. 1, as recommitted, and recommends that it pass Final Reading in the form attached hereto.

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

Senators Matsunaga, Chumbley, Baker, Ihara and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 157 on S.B. No. 3220

The purpose of this bill is to reduce the conveyance tax allocation to the Rental Housing Trust Fund from twenty-five per cent to twelve and one-half per cent and to appropriate \$600,000 out of the general revenues of the State to provide homeless assistance pursuant to chapter 201G, part IV, Hawaii Revised Statutes.

Your Committee has amended this bill by requiring the executive director to submit a report to the 1999 Legislature that:

- (1) Details the current expenditures of the housing and community development corporation for providing homeless assistance; and
- (2) Assesses and identifies the funding needs for providing homeless assistance during the fiscal years 1999-2000 and 2000-2001.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3220, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3220, S.D. 1, H.D. 2, C.D. 1.

Representatives Arakaki, Kawakami, Abinsay, Santiago and Ward,
Managers on the part of the House.

Senators Bunda, M. Ige, Baker, Fukunaga, Chun Oakland, Kawamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 158 on S.B. No. 2092

The purpose of this bill is to encourage energy conservation by:

- (1) Extending the duration of energy conservation income tax credits presently in effect to July 1, 2003, provided that if similar federal energy tax credits are established, then the state tax credits will be commensurably reduced;
- (2) Eliminating design requirements for solar energy systems for multiunit residential buildings; and

- (3) Creating a task force to study alternative cost-effective means to support increased energy efficiency and sustainability.

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

- (1) Specifying that state energy tax credits referred to in Section 2 of the measure, shall be reduced by the amount of the applicable federal energy tax credits established after June 30, 1998 but before July 1, 2003; and
- (2) Changing the effective date to July 1, 1998.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2092, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2092, S.D. 1, H.D. 1, C.D. 1.

Representatives Yoshinaga, Say, Goodenow, Kanoho and Thielen,
Managers on the part of the House.

Senators Taniguchi, Fukunaga, Baker, Kawamoto and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 159 on H.B. No. 2750

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

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

Your Committee on Conference has amended this bill by:

- (1) Inserting the appropriate amounts provided by the Department of Budget and Finance; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2750, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2750, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Abinsay, Ahu Isa, Chang, Goodenow, Hamakawa, Ito, Kahikina, Kanoho, Kawakami, Nakasone, Suzuki, White, Fox, Marumoto, Meyer and Ward,
Managers on the part of the House.
(Representative Meyer did not concur.)

Senators Baker, Fukunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 160 on H.B. No. 1533

The purpose of this bill is to assist the State in the provision of essential services to the community by:

- (1) Transferring excess moneys from one hundred eighty-six special and revolving funds into the state general fund;
- (2) Providing that costs related to the acquisition of works of art under the Works of Art Special Fund include managing or acquiring consultant or staff services to carry out the Art in Public Places and Relocatable Works of Art Programs;
- (3) Extending the moratorium on assessments to the Employment and Training Fund for two additional years, until July 1, 2000, and lapsing the balance into the Special Unemployment Insurance Administration Fund;
- (4) Providing alternative funding for the State Civil Identification Program through the establishment of a revolving fund for the deposit of all fees received by the Attorney General through the processing and issuance of certificates of identification, and making an appropriation from this revolving fund; and
- (5) Appropriating funds out of the state general fund to cover startup personnel and operating costs relating to the State Civil Identification Program.

After careful consideration, your Committee on Conference has deleted its substance and retained only those provisions that:

- (1) Transfer excess moneys from the following seven special and revolving funds into the state general fund: the Agricultural Loan Revolving Fund, the Hawaii Capital Loan Revolving Fund, the Dwelling Unit Revolving Fund, the Homes Revolving Fund, the Industrial Park Special Fund, the State Parking Revolving Fund, and the Special Land and Development Fund;

- (2) Increase the maximum balance of the Environmental Response Revolving Fund from \$7,000,000 to \$20,000,000 when the Department of Health gives notification to the Department of Taxation of this fact;
- (3) Provide alternative funding for the State Civil Identification Program through the establishment of a revolving fund for the deposit of all fees received by the Attorney General through the processing and issuance of certificates of identification, and make an appropriation from this revolving fund;
- (4) Require that the Public Employees Health Fund return moneys representing the State's and the counties' respective shares of insurance carrier refunds, rate credits, and any accrued interest, to their respective general funds; and
- (5) Appropriate moneys from the Compliance Resolution Fund to be expended by the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs to fund an administrative assistant position, a secretary position, and other current expenses.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1533, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1533, H.D. 2, S.D. 1, C.D. 1.

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

Senators Baker, Fukunaga, Ihara, Kawamoto, Levin and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 161 on S.B. No. 2213

The purpose of this bill is to allow authorized state or county officials to contract with a private entity to provide goods, services, or construction notwithstanding civil service laws, merit principles, and collective bargaining laws. The further purpose of this bill is to create a committee to develop a managed process and another committee to develop and implement plans to transform the state's budgeting, accounting and procurement systems. In addition, the bill amends the workers compensation law to deal with stress related injuries and establishes a five-year pilot project on performance partnership for youth.

Your Committee has amended this bill by replacing its contents with the contents of House Bill No. 3199, H.D. 2, S.D. 1, with new amendments (hereinafter "this bill" shall refer to Senate Bill No. 2213, S.D. 2, H.D. 2, C.D. 1).

This bill authorizes the privatization of government services for the purposes of efficiency and cost-effectiveness, and ensures that at the time of deciding whether to privatize, the contracting government agency relies on accurate assessments of the government's finances and makes an informed and responsible comparison of the costs of privatizing as opposed to the costs of employing available government resources.

This bill provides for the development and implementation of a transformation of the state government's budgeting, accounting, and procurement systems to provide for the efficient use of public funds and assets, and a managed process to enable the state and county governments to implement public-private competition for government services. During the transformation of the budgeting and procurement systems, and development of managed competitive process, this bill provides a temporary but broad exemption from the civil service and collective bargaining laws for all existing and new state and county contracts, subject to legal proceedings that commence prior to the enactment of this measure. This exemption is effective upon and continues after the effective date of this Act, except as to rights matured or legal proceedings initiated prior to the effective date of this Act.

Your Committee finds that the performance-based budgeting system provided in this bill will more accurately assess the cost of government services and the status of the State's finances, and be a reliable informational resource for making privatization and other budget-related decisions.

Employees in the public services are provided protection from being terminated from their jobs because of the outsourcing of government functions. Public employees who are transferred to another position because their functions are contracted out to private entities are provided retraining rights and other assistance to enable the transferred employee to maintain a similar, comparable, or better position in the civil service.

Your Committee further finds that this bill:

- (1) Provides for a thirteen member committee that is representative of the State and county governments, private-sector businesses, public and private unions, and non-profit organizations, to develop a managed competitive process for outsourcing of government services, and provides that the department of accounting and general services shall provide administrative support for the committee;
- (2) Provides that contracts that are entered into prior to the effective date of this Act are exempt from civil service and collective bargaining laws after the effective date of this Act and shall not be subject to the managed process review;
- (3) Provides that proceedings that are begun prior to the effective date of this Act are not affected by the Act;
- (4) Requires that all new contracts offered after the effective date of this Act and prior to July 1, 2001, include a provision giving notice to all prospective contractors that the contract will be subject to a single managed process review by the State or county;

- (5) Requires all contracts entered into after the effective date of this Act and prior to July 1, 2001, which extend beyond June 30, 2001, to be subject to a single managed process review, and provides that these contracts shall continue to be exempt from civil service laws, merit principles, and collective bargaining laws for the duration of the contract even if a managed process is not implemented; and
- (6) Makes technical, nonsubstantive amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2213, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2213, S.D. 2, H.D. 2, C.D. 1.

Representatives Yonamine, Menor, Say, Nakasone, Suzuki, Marumoto and Ward,
Managers on the part of the House.

Senators Kanno, Chun Oakland, Fukunaga, Baker, Bunda, M. Ige, Metcalf, Sakamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 162 on H.B. No. 2648

The purpose of this bill is to deny workers' compensation for mental injuries caused by stress that is a direct consequence of a disciplinary action for just cause.

Your Committee has amended this bill by clarifying that a claim for mental stress resulting solely from disciplinary action taken in good faith by the employer shall not be allowed, but any collective bargaining agreement or other employment agreement setting a different standard than good faith shall apply instead.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2648, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2648, H.D. 2, S.D. 1, C.D. 1.

Representatives Yonamine, Menor, Say, Nakasone, Suzuki, Marumoto and Ward,
Managers on the part of the House.

Senators Kanno, Chun Oakland, Baker, Fukunaga, Ihara and Metcalf,
Managers on the part of the Senate.

Conf. Com. Rep. 163 on H.B. No. 2563

The purpose of this bill is to provide additional guidelines to ensure implementation of school-based budgeting beginning with the fiscal biennium 1999-2001.

Specifically, this bill requires the generation of information about the efficiency of individual schools by requiring the Governor to submit to the Legislature a budget that specifies the amount of funding allocated to each individual school.

It is the intention of your respective houses not to burden our schools with additional administrative duties. This measure is intended to make full use of the financial expertise and technological advances that exist within the State and district offices in the Department of Education to support the individual schools in preparing and executing their own budgets.

Your Committee finds that the Legislature approved Act 272, Session Laws of Hawaii 1994, which required the Department of Education to implement school-based budget flexibility. School-based budget flexibility is an operating budget preparation and allocation process that provides substantial flexibility for individual schools to prepare and execute their operating budgets.

Accordingly, your Committee on Conference has amended this bill as follows:

- (1) Restoring the contents of the bill as introduced;
- (2) Including a new section for chapter 302A that requires all schools to engage in school-by-school budgeting; and
- (3) Requiring the department of education to specifically identify the amount the department will allocate for school lump sum funding in their annual allotment and expenditure plan to the governor.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2563, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2563, S.D. 2, C.D. 1.

Representatives Stegmaier, Kawakami, Kanoho, Morihara and Halford,
Managers on the part of the House.

Senators Tam, Aki, Baker, Fukunaga, M. Ige, McCartney and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 164 on H.B. No. 2564

The purpose of this bill is to do the following:

- (1) Establish a Temporary Commission on Educational Accountability, which shall be responsible for developing a process and protocols for a comprehensive evaluation of all public schools that shall be conducted every four years. The evaluation process shall include the inspection of records and on-site review of every aspect of the school's operation. The Commission shall be administratively attached to the Office of the Auditor, in keeping with the responsibility of the State Auditor to conduct postaudits of all state programs and to undertake fiscal accountability analyses of educational expenditures;
- (2) Authorize the department to employ retired teachers and educational officers at part-time or less than one hundred per cent full-time equivalents for one school year; and
- (3) Authorize the board to assess a deposit fee for all school books, which shall be returned upon return of the school book, and applying the deposit fees to costs in the case of restitution or replacement.

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

- (1) By deleting its purpose section;
- (2) By making the temporary commission on education accountability a pilot project and providing for the pilot comprehensive evaluation in ten schools;
- (3) By adding language from H.B. No. 3167, H.D. 1, regarding longitudinal assessments; and
- (4) By adding a section establishing a comprehensive student support system to build relationships among teachers, other school professionals, and students, and requiring the Department of Education to submit a detailed implementation plan to the Legislature prior to the 1999 Regular Session.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2564, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2564, H.D. 1, S.D. 2, C.D. 1.

Representatives Stegmaier, Say, Kawakami, Morita and Fox,
Managers on the part of the House.

Senators Tam, Aki, Baker, Fukunaga, D. Ige, McCartney and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 165 on H.B. No. 2749

The purpose of this bill is to reduce income taxes to a top rate of nine per cent in two stages, to provide for the exemption of exported services and to tax imported services, to allow for the filing of composite returns; to increase the deduction for entertainment expenses, to clarify the corporate dividend deduction, to extend energy credits, to disallow the use of chapter 420, Hawaii Revised Statutes (HRS), concerning business development corporations and to reduce the credits and exemptions under chapter 420, HRS, to zero over a four-year period.

Your Committee has deleted all the provisions of the bill, except for the personal income tax brackets and rates and the provisions relating to chapter 420, HRS.

Your Committee has spent many hours discussing the best economic development package for the State of Hawaii in the area of taxation. Your Committee finds that the provisions of this bill, as amended, will assist Hawaii to be competitive and will boost the economy.

Your Committee has amended the income tax brackets and rates to phase them in over a four-year period so that the top income tax rate will be 8.25 per cent in the year 2002 with the top income bracket for joint returns set at \$80,000, for head of household returns set at \$60,000, and for single returns set at \$40,000. Your Committee finds that expanding the brackets will address, to a certain extent the effect of inflation on income. By lowering the top rate to 8.25 per cent, Hawaii will be competitive with other states in the income tax arena.

In addition, the food tax credit has been repealed and a new low income refundable tax credit has been added starting with \$35 for individuals under \$10,000 gross income and ending at \$20,000.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2749, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2749, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Goodenow, Kawakami, Suzuki and Meyer,
Managers on the part of the House.

Senators Baker, Fukunaga, Ihara, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 166 on H.B. No. 2909

The purpose of this bill is to appropriate funds for agricultural research and development to be performed by the Hawaii Agriculture Research Center.

Your Committee on Conference has amended this bill by:

- (1) Inserting the appropriation sum of \$750,000 for agricultural research and development; and
- (2) Providing that \$200,000 of the appropriation may be released unmatched for nonsugarcane-related agricultural research, development, and services.

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

Representatives Jones, Kanoho, Chang, Herkes and Halford,
Managers on the part of the House.

Senators Taniguchi, Baker, Fukunaga, Iwase, Levin and Slom,
Managers on the part of the Senate.

Conf. Com. Rep. 167 on S.B. No. 2259

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

- (1) Reduce personal income tax rates;
- (2) Establish a new refundable low-income tax credit;
- (3) Provide for a new GET rate of 4.5 percent;
- (4) Increase the use tax to 4.5 percent;
- (5) Exempt the general excise tax on exported services;
- (6) Impose the use tax on imported services;
- (7) Exempt hotel room rentals from the general excise tax;
- (8) Increase the transient accommodations tax to 11.5 percent;
- (9) Create a Tourism Special Fund as a dedicated funding source for tourism promotion;
- (10) Establish a Tourism Board to oversee the special fund;
- (11) Require the Department of Business, Economic Development, and Tourism to assist the Tourism Board in data collection;
- (12) Repeal the sunset date of the Convention Center Authority;
- (13) Provide a general excise tax exemption for amounts received by an aviation training facility or a cargo facility, or from the construction of an aviation training facility or a cargo facility;
- (14) Provide a use tax exemption for material, parts, or tools imported by an aviation training facility for a certified training program or cargo facility, or the construction of an aviation training facility;
- (15) Provide a general excise tax exemption for real estate investment trusts;
- (16) Provide for income splitting of tourism related services for purposes of the general excise tax, and expand the exemption to include destination managers;
- (17) Exempt wholesalers from the 0.5 percent general excise tax assessment on goods contained in their original package that are transferred from one wholesaler to another;
- (18) Provide a general excise tax exemption for amounts received by a management company from related entities engaged in the business of selling interstate or foreign common carrier telecommunications services;
- (19) Provide a general excise tax exemption for employee leasing companies;
- (20) Redefine cooler beverage to mean any liquor containing less than seven percent of alcohol by volume and blending material; and
- (21) Exempt from the conveyance tax transfers of real property from an individual to a corporation, limited liability company, or partnership that is wholly owned by the individual.

Your Committee has spent many hours reviewing the suggestions of the Economic Revitalization Task Force in the area of tourism. Your Committee finds that the provisions of this bill, as amended, will assist Hawaii to be competitive with other destination areas.

Your Committee has deleted all provisions of the bill, except those relating to the tourism board and the increase in the transient accommodations tax (TAT) and related amendments. The transfer of transient accommodations from the general excise tax to the TAT is also deleted.

Your Committee has amended the tourism board provisions to provide for the Hawaii Tourism Authority headed by an executive board consisting of ten public voting members, one public nonvoting member, one ex officio voting member (the director of business, economic development, and tourism), and one ex officio nonvoting member (the director of transportation). The members shall be appointed by the governor; provided that two members shall be appointed from a list of three names submitted by the president of the senate and two members shall be appointed from a list of three names submitted by the speaker of the house of representatives.

Your Committee has provided that the Hawaii Visitors and Convention Bureau shall be the designated agency to conduct marketing and promotion for fiscal year 1998-1999 or until another date specified by the executive board. The tourism special fund has been amended to allow up to three per cent of the moneys to be used for administrative expenses. In addition, instead of transferring the staff of the tourism office to the authority, your Committee has provided that the salaries and expenses of the office shall be paid out of the tourism special fund beginning January 1, 1999.

Your Committee has further amended the bill to provide that instead of repealing the sunset of the Convention Center Authority, it is extended for one year. In addition, a provision has been added to require the auditor to audit and monitor the progress made by the Convention Center Authority in resolving traffic, noise, and other outstanding claims against the authority and to report to the Legislature.

The TAT has been increased to 7.25 per cent and vacation time shares have been placed under TAT effective January 1, 1999. The distribution of the TAT has been amended to provide that of the TAT revenues, 17.3 per cent shall be deposited to the convention center capital special fund to pay for debt service of the bonds, 37.9 per cent shall be deposited to the tourism special fund, and 44.8 per cent shall be distributed to the counties.

Your Committee notes that this reduces the amount transferred to the counties, but finds that changes in other bills will offset this reduction. For example, the excess reserves of the health fund are being returned to the employers and the counties will receive about \$11.4 million due to this return. In addition, the employee salary assumption on which employees retirement system contributions are based is being changed which will produce savings to the counties.

Your Committee has also made technical amendments as necessary.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2259, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2259, S.D. 1, H.D. 1, C.D. 1.

Representatives Say, Cachola, Chang, Kanoho, Kawakami and Suzuki,
Managers on the part of the House.

Senators Baker, Fukunaga, Chun Oakland, Ihara, Levin, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 168 on S.B. No. 3004

The purpose of this bill is to adopt the amendments made to the federal Internal Revenue Code by Congress during the calendar year 1997.

Your Committee finds that this bill adopts the appropriate provisions of the Balanced Budget Act of 1997, Public Law 105-33, the Taxpayer Relief Act of 1997, Public Law 105-34, and the Taxpayer Browsing Act of 1997, Public Law 105-35 enacted by Congress during 1997.

Your Committee notes the following changes made to the Internal Revenue Code that are adopted by this bill.

- (1) Section 1 of the bill adopts the Code for Hawaii as of December 31, 1997, and adopts Code section 1(h)(3) relating to the reduction of net capital gain for investment income taken into account;
- (2) Some of the Code provisions that are adopted include:
 - (A) Expanded individual retirement accounts for active pension plan participants;
 - (B) Elimination of the ten per cent early withdrawal penalty on individual retirement account funds if the proceeds are used to purchase homes for first time buyers;
 - (C) Nondeductible Roth individual retirement accounts which allow the tax free accumulation and distribution of income;
 - (D) Expansion of the definition of activities for home offices;
 - (E) Deduction before adjusted gross income for interest expense on higher education loans up to \$1,000;
 - (F) Recognition of gifts of computers from corporations to elementary and secondary schools to be treated similarly to charitable contributions of inventory for the care of the ill, needy, and infants; and

- (G) Increasing the percentage of health care insurance expenses to be deducted by the self-employed to one hundred per cent by 2007;
- (3) Section 2 of the bill adopts:
- (A) Code section 72 with regard to annuities, except that it is made clear that the ten per cent penalty on the early distribution from retirement plans is not operative in this State;
 - (B) Code section 121 which allows the exclusion of \$500,000 (\$250,000 if single) of capital gain upon the sale of a house. In addition Code section 1034 allowing roll-overs of capital gain by purchasing a new house is repealed;
 - (C) Code section 685 which allows pre-need funeral trusts to file tax returns on behalf of the beneficiary and to pay the income tax on the income earned during the taxable year;
 - (D) Repeal of Code sections 6241 to 6245 for state purposes as they were repealed by Congress; and
 - (E) Code sections 6240 to 6255 to be operative and relate to simplified audit procedures for electing large partnerships;
- (4) Section 3 of the proposed draft amends section 235-71.5, Hawaii Revised Statutes (HRS), to make it clear that the alternative tax for corporations in Hawaii remains the same and the Code amendments allowing the use of the lesser of net capital gain or taxable income do not apply; and
- (5) Section 4 of the proposed draft adopts Code provisions establishing a safe harbor for the underpayment of estimated income taxes similar to the Code.

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 3004, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3004, S.D. 1, H.D. 1, C.D. 1.

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

Senators Baker, Fukunaga, McCartney, Tam and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 169 on S.B. No. 2338

The purpose of this bill is to establish a hoisting machine operators' certification board and a hoisting machine operators' certification special fund.

Your Committee finds that hoisting machine operators should be regulated in the interests of the public health and safety.

Your Committee after careful consideration has amended S.B. No. 2338, S.D. 2, H.D. 2, as follows:

- (1) Deleting the hoisting machine operators' certification board and inserting the hoisting machine operators advisory board;
- (2) Clarifying that the hoisting machine operators advisory board shall:
 - (a) Be composed of five members to be appointed by the governor;
 - (b) Serve without compensation and without reimbursement for expenses; and
 - (c) Adopt rules for the certification of hoisting machine operators;
- (3) Changing the name of the hoisting machine operators' certification special fund to the hoisting machine operators' revolving fund; and
- (4) Changing the appropriation amount from \$1 to \$50,000 for the expenses of one part-time executive director and one part-time secretary for the hoisting machine operators advisory board, and requiring the reimbursement to the general fund of the same amount on July 1, 2000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2338, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2338, S.D. 2, H.D. 2, C.D. 1.

Representatives Menor, Say, Goodenow, Lee and Fox,
Managers on the part of the House.

Senators Kanno, Chun Oakland, Fukunaga, Baker, Metcalf, D. Ige, Kawamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 170 on H.B. No. 2222

The purpose of this bill is to appropriate funds to establish manufacturing extension programs in Hawaii, provided that the Department of Business, Economic Development, and Tourism provides a dollar-for-dollar match of federal funds for this purpose.

Your Committee on Conference has amended this bill by inserting the appropriation sum of \$100,000 for the establishment of the manufacturing extension programs.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2222, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2222, H.D. 2, S.D. 2, C.D. 1.

Representatives Herkes, Ahu Isa, Ito and Fox,
Managers on the part of the House.

Senators Taniguchi, Baker, Fukunaga, Chun Oakland and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 171 on S.B. No. 2922

The purpose of this bill is to effect various reforms in state government including:

- (1) Making changes affecting the Office of the Legislative Analyst;
- (2) Repealing the tax credit to facilitate regulatory oversight of insurance companies;
- (3) Abolishing the State Health Planning and Development Agency and transferring functions of the Office of Environmental Quality Control to the Department of Health;
- (4) Enabling the Notaries Public Program to become self-sufficient;
- (5) Providing alternative funding for the Civil Identification Program; and
- (6) Allowing Hawaii Election Campaign Fund moneys to be used for the operating expenses of the Campaign Spending Commission.

Upon careful consideration, your Committee has amended this bill by deleting its substance and inserting provisions that would:

- (1) Allow the Ombudsman to facilitate resolution of disputes on issues involving agencies; and
- (2) Provide for first deputies or assistants for the Ombudsman, Legislative Reference Bureau, Legislative Auditor, and Legislative Analyst, subject to the advice and consent of the Joint Legislative Management Committee.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2922, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2922, S.D. 1, H.D. 2, C.D. 1.

Representatives Say, Menor, Kanohe, Nakasone and Meyer,
Managers on the part of the House.

Senators Baker, Fukunaga, Chun Oakland, Ihara, Kawamoto and Levin,
Managers on the part of the Senate.

Conf. Com. Rep. 172 on H.B. No. 2552

The purpose of this bill is to:

- (1) Establish a Civil Rights Commission Special Fund;
- (2) Authorize the Department of Health to establish and implement a Lead Abatement Program;
- (3) Require that all departmental fees adopted through administrative rules be approved by the Legislature;
- (4) Make numerous changes to the laws relating to the Office of Environmental Quality Control, Coastal Zone Management Program, Commission on Persons with Disabilities, Clean Air Special Fund, Environmental Response Revolving Fund, and the Environmental Health Program Enhancement and Education Fund;
- (5) Reduce the Public Utilities Special Fund ceiling;
- (6) Increase the amount of bonds authorized to be issued by the Hawaii Community Development Authority from \$60,000,000 to \$100,000,000 to construct a public parking garage in Kakaako; and
- (7) Require private developers to pay the relocation expenses of affected entities.

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

- (1) Authorizes the Historic Preservation Program to charge fees to help defray administration costs;
- (2) Establishes a fee for copies of certified divorce certificates and raises various other fees; and
- (3) Renames the Environmental Health Program Enhancement and Education Fund to the Environmental Health Education Fund, amends its funding, and makes it permanent.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2552, H.D. 1, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2552, H.D. 1, S.D. 3, C.D. 1.

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

Senators Kanno, Chun Oakland, Baker, Fukunaga, McCartney and Metcalf,
Managers on the part of the Senate.

Conf. Com. Rep. 173 on H.B. No. 1624

The purpose of this bill is to establish a boiler and elevator safety revolving fund and to clarify the safety inspection procedures.

Your Committee upon careful consideration has amended H.B. No. 1624, H.D. 1, S.D. 2, by:

- (1) Specifying that the balance of moneys in the boiler and elevator safety revolving fund shall not exceed \$1,200,000, with any excess to be deposited into the state general fund;
- (2) Exempting the revolving fund from central services expense deductions;
- (3) Clarifying that the Department of Labor and Industrial Relations (DLIR) shall not issue a permit to operate unless it finds the boiler or elevator to be safe in accordance with rules adopted by the DLIR;
- (4) Clarifying that the required interval of safety inspections begin July 1, 2000;
- (5) Requiring that the number of DLIR inspectors remain the same from the effective date of the Act until repeal of the Act;
- (6) Making an appropriation of \$158,000, out of the revolving fund for fiscal year 1998-1999, to fund nine elevator inspector positions which were restricted by the administration's budget; and
- (7) Adding a sunset date of July 31, 2003, for the revolving fund and a reenactment provision applied to the amendments to sections 36-27 and 397-5(b), Hawaii Revised Statutes, regarding the addition to those sections of revolving fund language.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1624, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1624, H.D. 1, S.D. 2, C.D. 1.

Representatives Yonamine, Say, Case, Nakasone and Moses,
Managers on the part of the House.

Senators Kanno, Chun Oakland, Baker, Fukunaga, Levin and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 174 on S.B. No. 2618

The purpose of this bill is to make two appropriations for medically underserved populations, one to support primary health care and one to support health care.

This bill also provides:

- (1) That whenever the Department of Human Services (DHS) contracts with a federally qualified health center or rural health center for the provision of QUEST services to enrollees, payment by DHS to the health center shall be comparable to and no less than the amount paid by the DHS to its other providers in the same geographic area for comparable services;
- (2) That at least quarterly, the DHS shall pay health centers under contract the difference between the payment received by the health center and the reasonable cost of the health center in providing services to QUEST enrollees; and
- (3) That the DHS shall provide financial resources to nonprofit, community-based providers to care for the uninsured, including community health centers, school-based clinics, and the Care-A-Van program for the homeless.

Your Committee after careful consideration has amended S.B. No. 2618, S.D. 1, H.D. 1, by changing the appropriation amounts from \$1 to \$500,000 each for the Department of Human Services and Department of Health.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 2618, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2618, S.D. 1, H.D. 1, C.D. 1.

Representatives Arakaki, Kawakami, Kanohe and McDermott,
Managers on the part of the House.

Senators Chun Oakland, Kanno, Fernandes Salling, Levin, Baker, Fukunaga, Sakamoto and Anderson,
Managers on the part of the Senate.