

SCRep. 1015-98 Energy and Environmental Protection on S.B. No. 2347

The purpose of this bill is to amend the endangered species recovery law by making the destruction or adverse modification of critical or essential habitat illegal.

Your Committee received testimony in support of the bill from the Sierra Club, the Earthjustice Legal Defense Fund, and the Hawaii Audubon Society. Testimony in opposition was received from the Nature Conservancy, the Land Use Research Foundation, the Hawaii Forest Industry Association, the Hawaii Island Economic Development Board, Pacific Resource Partnerships, Kamehameha Schools/Bishop Estate, McCandless Ranch, and twenty-three members of the public. Informational testimony was also received from the Consulting Engineers Council of Hawaii.

Your Committee has amended the bill by removing its contents and substituting the contents of H.B. Nos. 1245, H.D. 1; 2884, H.D. 1; and 3414 H.D. 1. The bill now provides for:

- (1) Voluntary disclosure of environmental violations, which provides incentives for self-policing by industries;
- (2) Injunctive relief, the imposition of civil penalties, and the imposition of administrative penalties and other relief by the Chairperson of the Board of Land and Natural Resources to prevent the illegal taking of endangered species;
- (3) Active negotiation of environmental mitigation projects by the Director of Health as an alternative to civil and administrative fines for violations of the air and water pollution laws and the hazardous waste law; and
- (4) A prohibition against modifying a habitat conservation plan, safe harbor agreement, or incidental take license through subsequent modifications of the law, except with the consent of the landowner.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2347, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2347, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Goodenow, Garcia, Hamakawa and Tarnas.
(Representative Thielen voted no.)

SCRep. 1016-98 Energy and Environmental Protection on S.B. No. 2350

The purpose of this bill is to allow the counties to assess a fee for glass containers consistent with chapter 342G, Hawaii Revised Statutes.

The bill also allows for the transfer of funds from the Department of Health to the counties, exempts glass container importers of less than five thousand containers from the advance disposal fee and allows importers of five thousand to one hundred thousand containers to provide a container inventory report and fee payment annually rather than quarterly.

Your Committee received testimony from the Department of Health, the City and County of Honolulu Department of Public Works, the County of Maui Department of Public Works and Waste Management, the Maui County Council, the Hawaii Food Industry Association, the Hawaii Restaurant Association, the Tax Foundation of Hawaii, the Sierra Club, Hawaii Chapter, and the Anheuser Busch Companies.

After due consideration, your Committee has amended the bill by adding a recycling machinery income tax credit and a recycling container program.

The bill provides a fifty per cent income tax credit for machinery purchased by recycling businesses. The bill also requires major retailers to provide glass recycling containers on their premises for and accessible to customers and provides for recycling drop-off sites to collect the contents of retailer recycling containers.

Your Committee has also amended the bill by removing the proposed reporting and fee payment preferences for glass container importers, and removing the proposed provision that allows the counties to assess a fee for glass containers.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2350, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2350, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Garcia, Hamakawa and Tarnas.

SCRep. 1017-98 Energy and Environmental Protection on S.B. No. 2413

The purpose of this bill is to raise the ceiling on the Department of Health's environmental response revolving fund from \$7,000,000 to \$20,000,000.

Your Committee received testimony in support of this bill from the Department of Health. Your Committee received testimony in opposition to this bill from the Airlines Committee of Hawaii, the Hawaii Fueling Facilities Corporation, and the Tax Foundation of Hawaii.

Some questions were raised by your Committee as to whether or not an increase in the ceiling of the environmental response revolving fund may be premature. Therefore, your Committee recommends that the Committee on Finance consider further the necessity of making any changes to the ceiling or floor of the environmental response revolving fund.

Your Committee has amended this bill by adding provisions to:

- (1) Require expenditures from the Department of Health's clean air special fund, water pollution control revolving fund, environmental management special fund, drinking water treatment revolving loan fund, environmental response revolving fund, leaking underground storage tank fund, and voluntary response action account to be consistent with a public policy criteria for balancing environmental protection with economic development and streamlined permitting;
- (2) Require the Director of Health to provide an annual report to the Legislature prior to each regular session on the programs and activities being funded by the clean air special fund, the water pollution control revolving fund, the environmental management special fund, the drinking water treatment revolving loan fund, the environmental response revolving fund, the leaking underground storage tank fund, and the voluntary response action account; the specific amounts spent or to be spent on these programs or activities; a description of these programs and activities and the environmental objectives to be achieved; an evaluation as to how the accomplishment of these objectives is consistent with the public policy criteria; the total amount presently deposited in each fund; and the amount in each fund that remains unexpended or unencumbered;
- (3) Allow the Governor to transfer excess moneys from the water pollution control revolving fund, the environmental management special fund, the drinking water treatment revolving loan fund, the environmental response revolving fund, the leaking underground storage tank fund, and the voluntary response action account to the general fund when the amount of moneys deposited in each fund exceeds the amount that the Department has allocated for carrying out the programs, activities, and objectives for which each fund was established;
- (4) Establish minimum balances for the clean air special fund, the water pollution control revolving fund, the environmental management special fund, the drinking water treatment revolving loan fund, the environmental response revolving fund, the leaking underground storage tank fund, and the voluntary response action account to limit the drawdown of moneys in the clean air special fund and the transfer of excess moneys from these other funds to the general fund;
- (5) Require the Department of Health to place a moratorium on the collection of all air pollution fees and to process all such matters involving the payment of fees without charge when the amount of moneys deposited in the clean air special fund exceeds the amount that the Department has allocated for carrying out the programs, activities, and objectives for which the fund was established;
- (6) Allow moneys in the clean air special fund to be used by the Department of Health for air pollution activities allowed by the Administrator of the United States Environmental Protection Agency under the grants program of section 105 of the Clean Air Act, including global warming tree planting programs;
- (7) Establish a public policy criteria for balancing environmental protection with economic development and streamlined permitting, including the creation of a market for environmentally protective jobs and business enterprises, the creation of markets for recycled materials within the State and abroad, and the adoption and periodic review of State agency rules concerning environmental protection;
- (8) Require the Department of Health to give priority attention to completing a permitting process within one year if the applicant for the permit has dedicated funds in an amount equal to at least twenty per cent of the total project cost to environmental mitigation projects;
- (9) Allow permits for projects that are not subject to expedited review to be expedited if an expedited permit processing fee is paid by applicant to the Department of Health in an amount to cover the cost of hiring temporary personnel to expeditiously process that application; and
- (10) Abolish the Office of Environmental Quality Control and transfer its functions, staff, and equipment to the Office of Planning in the Department of Business, Economic Development, and Tourism; transfer the Environmental Council from the Department of Health to the Department of Business, Economic Development, and Tourism; make the Director of Health an ex officio voting member of the Environmental Council; and make the Director of the Office of Planning an ex officio nonvoting member of the Environmental Council.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2413, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2413, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Garcia and Hamakawa.

SCRep. 1018-98 Judiciary on S.B. No. 2727

The purpose of this measure is to reduce the loss of cigarette tax revenue from the illegal sale of untaxed cigarettes by creating a tax stamp requirement.

Your Committee received testimony in support of this measure from representatives of the Hawaii Food Industry Association and Fleming Companies, Inc. The Coalition For A Tobacco Free Hawaii submitted testimony supporting the intent of this measure.

Your Committee received testimony in opposition to this measure from representatives of the Department of Health and the Effective National Action to Control Tobacco (ENACT). The American Cancer Society and the American Heart Association submitted testimony opposing any efforts to eliminate or defer the effective date of the scheduled increase of cigarette taxes. Your Committee also received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that Hawaii does not currently require tax stamping of its cigarettes. Thus, there is no way to determine by a visual inspection whether the tax has been paid on cigarettes which are offered for sale in the State. In addition, it is believed that the study published in April 1997, by the Tax Foundation of Hawaii entitled, "Perspectives on the Hawaii Tobacco Tax," indicates that there is substantial leakage of untaxed cigarettes into the civilian market from military bases which is creating a substantial tax revenue loss. Currently, Hawaii's tax on cigarettes is the highest in the nation. It is felt, however, that any further increase in the cigarette tax without an appropriate mechanism in place to insure that the current tax is being paid will ultimately encourage more leakage, bootlegging and the development of a tobacco product black market. This measure addresses the problem of the sale of untaxed cigarettes by requiring that cigarettes which are sold in the State be stamped with a tax stamp or marked by meter impressions showing that the cigarette tax has been paid.

Upon careful consideration, your Committee believes, however, that a one-year deferral from July 1, 1998 to July 1, 1999 of the second stage of the increase of the cigarette tax from \$0.80 to \$1.00 is necessary to allow further review of the potential impacts resulting from the increase in cigarette taxes prior to its application. To prevent the second stage of the increase of the cigarette tax from going into effect on July 1, 1998, your Committee believes that the effective date of this measure should be changed from upon approval to June 30, 1998.

Your Committee notes that these concerns were addressed in a companion measure H.B. No. 3065, H.D. 2, which passed out of the House of Representatives earlier this session after public hearings before this Committee and the Committee on Finance.

Your Committee also believes that finding persons guilty of a misdemeanor for the unlawful sale of unstamped packages of cigarettes or for the placement of unstamped cigarettes for sale in vending machines will not effectively deter this type of activity.

Therefore, after careful consideration, your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of H.B. No. 3065, H.D. 2 in its place; and
- (2) Increasing to a class C felony the penalty for the sale of packages of cigarettes without stamps or meter impressions or knowingly or wilfully placing such cigarettes for sale in a vending machine and, upon conviction thereof, imposing a fine of not more than \$100,000 or imprisonment for not more than five years or both; provided that a corporation shall be fined not more than \$500,000.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2727, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2727, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Hiraki, Jones, Menor and Yoshinaga.
(Representative Thielen voted no.)

SCRep. 1019-98 Judiciary on S.B. No. 2399

The purpose of this bill, as received by your Committee, is to enact a pilot clean elections program for the Offices of Governor and Lieutenant Governor for the 2002 elections.

The Democratic Party of Hawaii, Hawaii Clean Elections, League of Women Voters, Common Cause Hawaii, Public Campaign, Hawaii's Thousand Friends, Advocates for Consumer Rights, Hawaii Green Party, and a concerned individual testified in support of this bill. The Campaign Spending Commission supported the intent of this measure but expressed concerns over the cost and administration of this program.

Your Committee finds that a clean elections program is an effective means of addressing the problems of voter disillusionment and undue influence by special interest groups over our elections.

However, your Committee believes that limiting this project to the 2002 gubernatorial races may not be the best way to determine the effectiveness of this program. Applying this program to the 2000 legislative races instead will allow for the gathering of information from a number of different races in different districts. Furthermore, enacting this project in 2000 rather than 2002 ensures that any necessary changes to our campaign financing laws are adopted sooner.

To address the concern of the Campaign Spending Commission regarding the cost of this project, your Committee proposes that the commission be allowed to lower the clean money amounts available to candidates if it appears that there is not enough money in the Hawaii Election Campaign Fund to cover all candidates. Likewise, your Committee seeks to ensure that the clean elections program does not bankrupt the fund by: 1) not allowing for the additional appropriation of moneys to clean money candidates to match the excess spending of nonparticipating candidates, and 2) not exempting clean money candidates from section 11-217.5, Hawaii Revised Statutes, which states that the fund is not obligated to provide moneys to qualified candidates in the event that moneys have been depleted.

Your Committee also proposes changing the effective date of this bill to July 1, 1999, and requiring, in the meantime, the Campaign Spending Commission, League of Women Voters, Common Cause Hawaii, and other interested stakeholders to conduct a study on the feasibility and effectiveness of this project. Their report to the 1999 Legislature will enable the Legislature to amend this law to make it work within the financial limitations of the Hawaii Election Campaign Fund.

Therefore, your Committee has amended this bill by:

- (1) Applying the pilot project to the 2000 legislative races instead of the 2002 gubernatorial races;
- (2) Providing that the amount of qualifying contributions needed to qualify as a clean money candidate is 30 for Representative and 60 for Senator;
- (3) Setting the aggregate amount of seed money contributions a candidate can accept at \$500 for Representative and \$1000 for Senator;
- (4) Allotting a clean money candidate for Senate \$20,000 for the primary and \$20,000 for the general election, and allotting a candidate for Representative \$10,000 for the primary and \$10,000 for the general election;
- (5) Allowing the Campaign Spending Commission to lower this amount if it finds that there is not enough money in the fund, and exempting this process from chapter 91;
- (6) Requiring candidates to declare their intentions to run as clean money candidates at least 120 days before the primary election to allow the Commission enough time to determine how much money each clean money candidate can receive;
- (7) Deleting the provision allowing clean money candidates to receive additional funds to match the excess spending of nonparticipating candidates;
- (8) Not requiring candidates to disclose seed money contributions and expenditures electronically;
- (9) Not exempting clean money candidates from section 11-217.5, Hawaii Revised Statutes;
- (10) Clarifying that this bill does not affect our existing public financing laws;
- (11) Requiring the Commission, in conjunction with the League of Women Voters, Common Cause, and other relevant stakeholders, to study this issue and report back to the Legislature by the 1999 session;
- (12) Changing the effective date to July 1, 1999, except for section 12, relating to the study by the Commission, which shall take effect upon approval;
- (13) Starting the seed money period on July 2, 1999, rather than the day after the previous general election, because this project takes effect on July 1, 1999;
- (14) Removing section 11-C, relating to the transition rule for the current election cycle, since this project takes effect on July 1, 1999; and
- (15) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2399, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2399, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1020-98 Education on S.B. No. 2625

The purpose of this bill is to improve school leadership by modifying the role of the principal, who shall attend to curriculum, as well as instructional services, both of which are to be developed in partnership with students, parents, teachers, and other school staff.

The Department of Education submitted testimony in support of the bill. The Hawaii State Teachers Association testified in opposition to the bill. The Hawaii Government Employees Association did not support the passage of the measure.

Your Committee is concerned that a number of measures that were approved by your Committee and subsequently approved by the entire House of Representatives are no longer alive in the legislative process. These measures will all further the quality of public education in Hawaii.

The bill has been amended by deleting its substance and replacing it with the substance of the following bills, all of which were approved by the House of Representatives earlier in the session:

- (1) H.B. No. 2518;
- (2) H.B. No. 2565, H.D. 1;

- (3) H.B. No. 3165, H.D. 1, the substance of which was further revised to include students as participants in the formation of agreements at all grade levels;
- (4) H.B. No. 2836, H.D. 1;
- (5) H.B. No. 2834, H.D. 1;
- (6) H.B. No. 2541, H.D. 2;
- (7) H.B. No. 2564, H.D. 1;
- (8) H.B. No. 2693, H.D. 1; and
- (9) H.B. No. 3207, H.D. 1.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2625, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2625, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1021-98 Labor and Public Employment and Consumer Protection and Commerce on S.B. No. 2386

The purpose of this bill is to permit coordinated care organizations to furnish medical care, services, and supplies to injured workers.

Your Committees find that a system of coordinated care will improve the cost effectiveness and ensure the high quality of health care provided to injured workers. Your Committees examined this issue carefully in connection with House Bill No. 2646, H.D. 2.

After further consideration, your Committees have amended this bill to incorporate the provisions of House Bill No. 2646, H.D. 2, by:

- (1) Permitting coordinated care organizations to be formed only by those in the business of providing health care plans or health care services, and not by self-insured employers or captive insurers;
- (2) Clarifying that the safety committee is the responsibility of the employer;
- (3) Establishing solvency requirements in accordance with the type of organization and providing an exception to the solvency requirements for certain qualified organizations;
- (4) Requiring employers to offer employees a full choice of providers annually; and
- (5) Permitting treatment outside of the coordinated care organization if the treatment is determined by independent medical examination to be in the employee's best interest.

Your Committees have further amended the bill by:

- (1) Clarifying that the choice of provider under the workers' compensation laws does not apply to employees enrolled in a coordinated care organization;
- (2) Adding a severability clause; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Labor and Public Employment and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2386, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2386, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Hiraki.

SCRep. 1022-98 Health on S.B. No. 2641

The purpose of this bill is to require the Director of Health to use the mental health and substance abuse special fund as the primary source to pay for community mental health centers' operating expenses.

Your Committee notes that these proposals will implement the Auditor's latest recommendations regarding the management of outpatient adult mental health services. According to the Auditor, this special fund composes six per cent of Adult Mental Health Division's fiscal year 1995-1997 budget. Furthermore the Division has continued to rely on general funds rather than moneys from the special fund to pay for most of the community mental health centers' operating expenses.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2641, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kawakami, McDermott and Ward.

SCRep. 1023-98 Health on S.B. No. 2258

The purpose of this bill is to address certain aspects of Hawaii's tax structure by eliminating, reducing, or alleviating the taxation of certain health care service activities and health care delivery structures.

The Healthcare Association of Hawaii testified in support of this measure. The Department of Taxation and the State Health Planning and Development Agency testified in support of the intent of this measure. The Tax Foundation of Hawaii commented on this measure.

It is your Committee's intent to address the pyramiding of GET on health care services in a comprehensive manner to facilitate the development of the health care industry in Hawaii as it undergoes significant change. Your Committee recognizes that for Hawaii to become the "Health Care Center of the Pacific", taxation concerns with regard to the delivery of health care must be addressed.

Upon careful consideration, your Committee has amended this bill to reduce the tax burden on taxpayers who provide medical care services by:

- (1) Exempting from GET, certain amounts received by nonprofit hospitals that form partnerships or associations with for-profit entities;
- (2) Adopting the federal itemized deduction for long-term health care expenses and insurance premiums;
- (3) Reducing the effect of GET pyramiding on certain health care transactions;
- (4) Exempting from the GET and Use Tax, the sale of certain tangible personal property, including medical equipment, imported into the State by a qualified hospital; and
- (5) Providing a GET and Use Tax exemption for the sale or use of prosthetic devices and prescription drugs by a qualified hospital.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2258, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2258, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kawakami, McDermott and Ward.

SCRep. 1024-98 Health and Human Services and Housing on S.B. No. 2385

The purpose of this bill is to increase investments in the early childhood arena by:

- (1) Establishing the Hawaii Early Education and Care Special Fund (Special Fund); and
- (2) Depositing revenues received from the creation of special birth certificates into the Special Fund.

The KCCA Pre-Schools of Hawaii and the Good Beginnings Alliance submitted testimony in support of this measure. Healthy Mothers, Healthy Babies and MothersCare for Tomorrow's Children submitted testimony in opposition to this measure. The Departments of Human Services and Budget and Finance submitted comments.

Your Committees believe that this measure will increase public and private investment to support programs and services to meet the health, safety, and developmental needs of young children and their families. While acknowledging that the funds generated from these birth certificates will not increase investment dramatically, your Committees believe that this is just a beginning. It will take the continued support of both public and private sectors to help fund services to fully meet the needs of our children.

Your Committees find that the placement of the Special Fund in the Department of Education (DOE) is inappropriate. While DOE is a partner in providing early childhood education and care, DOE does not provide education for the zero-to-five population. A more suitable agency to administer the Special Fund would be the Department of Health (DOH).

In addition, your Committees further find that this measure needs clarification regarding its intent to provide funds to implement activities specifically described within the Good Beginnings' community plans.

Thus, after careful consideration, your Committees have amended this measure by:

- (1) Specifying that the fees received and deposited into the Special Fund be used for early childhood projects pursuant to Act 77, Session Laws of Hawaii (SLH) 1997;
- (2) Establishing the Special Fund within DOH;

- (3) Specifying that the moneys in the Special Fund will be expended by the director in consultation with the Good Beginnings Alliance Board of Directors;
- (4) Providing that upon repeal of Act 77, SLH 1997, the unexpended moneys will be expended by the Director of Health;
- (5) Repealing this Act on June 30, 2001; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2385, S.D. 2, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2385, S.D. 2, H.D. 2.

Signed by all members of the Committees except Representative Lee.
(Representative McDermott voted no.)

SCRep. 1025-98 Consumer Protection and Commerce on S.B. No. 3232

The purpose of this bill is to make government more efficient by abolishing the boards and commissions regulating a variety of professions and occupations under the jurisdiction of the Department of Commerce and Consumer Affairs (DCCA), with the exception of the Contractors License Board, the Board of Electricians and Plumbers, the Elevator Mechanics Licensing Board, and the Real Estate Commission. In addition, this bill transfers the regulatory and licensing responsibilities of the abolished board or commission to the Director of DCCA.

The Contractors License Board testified in support of the bill. The Board of Public Accountancy, the Board of Veterinary Examiners, the Board of Examiners in Optometry, the Board of Osteopathic Examiners, the Board of Massage Therapy, the Board of Barbering and Cosmetology, the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects, the Board of Dental Examiners, the Pest Control Board, the Board of Psychology, the Motor Vehicle Industry Licensing Board, the Hawaii State Boxing Commission, the Motor Vehicle Repair Industry Board, the Board of Examiners in Naturopathy, the Hawaii Nurses' Association, the Hawaii Medical Association, the Hawaii Federation of Physicians and Dentists, the Hawaii Dental Association, the Hawaii Society of Professional Engineers, the International Brotherhood of Electrical Workers, Local Union 1186, the Consulting Engineers Council of Hawaii, the Hawaii State Chiropractic Association, and numerous individuals and companies testified in opposition to this bill. DCCA submitted comments on the bill.

Your Committee received voluminous testimony opposing this bill or opposing the abolishing of specific boards or commissions. Many concerns were raised by opponents of this bill which included the cost effectiveness of transferring licensing responsibilities from one government entity to another, DCCA's lack of adequate expertise in many professions to be able to oversee these professions, and the impact on consumers resulting from elimination of these boards and commissions.

Your Committee believes that generally, the oversight of professions by boards and commissions serves to assure the public that laws and rules regulating those professions are protecting the public's welfare, and not that of the regulated profession. However, your Committee also supports efforts to streamline government processes and eliminate ineffective use of state resources.

In reports to the Governor and the Legislature, the Auditor recommended that the following boards be eliminated:

- (1) The Board of Barbering and Cosmetology, Sunset Evaluation Update: Beauty Culture, Report No. 88-18, November 1988 and Sunset Evaluation Update: Practice of Barbering, Report No. 86-2, January 1986;
- (2) The Motor Vehicle Industry Licensing Board, Sunset Evaluation Update: Motor Vehicle Industry Licensing, Report No. 94-10, September 1994;
- (3) The Motor Vehicle Repair Industry Board, Sunset Evaluation Update: Regulation of Motor Vehicle Repairs, Report No. 94-11, September 1994;
- (4) The Board of Private Investigators and Guards, Sunset Evaluation Update: Private Investigators and Guards, Report No. 87-7, January 1987;
- (5) The Board of Speech Pathology and Audiology, Sunset Evaluation Update: Speech Pathologists and Audiologists, Report No. 87-23, December 1987; and
- (6) The Board of Osteopathic Examiners, Sunset Evaluation Update: Osteopathy, Report No. 92-24, December 1992.

It is your Committee's understanding that in the sunset evaluation of these regulatory programs, the Auditor determined whether there was a reasonable need to regulate the profession to protect the health, safety, and welfare of the public and whether the regulatory program was being implemented effectively and efficiently. In the process of evaluating these programs, the Auditor considered:

- (1) Any complaints and other evidence of harm to consumers;
- (2) Information obtained through interviews of the members of the respective boards, DCCA personnel, and industry representatives;

- (3) Information from files on board operations, licensing, enforcement, and correspondence; and
- (4) The administration and results of the licensing examination, if any is required.

It is your Committee's understanding, that the Auditor found that:

- (1) The boards had very few, if any, functions to perform;
- (2) Licensing requirements were very straightforward and required no additional discretion or evaluative expertise from the boards;
- (3) All application documents were validated by DCCA;
- (4) Complaints and adjudicatory matters were minimal and could be readily processed by the Director of DCCA;
- (5) Unnecessary delays resulted from review of matters by the boards which could have been processed by DCCA in a more efficient manner; and
- (6) The boards role was negligible in regulating the licensing standards of their professions due to outdated laws or administrative rules.

In some cases, the Auditor found that the board or boards appeared to act in the interest of the industry or the board or the actions of the board appeared to be self-serving and restrictive of competition.

Upon careful consideration, your Committee has adopted the recommendations of the State Auditor contained in the above referenced sunset evaluation reports to the Legislature which recommended the elimination of the Board of Barbering and Cosmetology, the Motor Vehicle Industry Licensing Board, the Motor Vehicle Repair Industry Board, the Board of Private Investigators and Guards, the Board of Speech Pathology and Audiology, and the Board of Osteopathic Examiners.

Subsequently, this bill has been amended by eliminating all provisions which were not related to the Board of Barbering and Cosmetology, the Motor Vehicle Industry Licensing Board, the Motor Vehicle Repair Industry Board, the Board of Private Investigators and Guards, the Board of Speech Pathology and Audiology, and the Board of Osteopathic Examiners.

In addition, technical, nonsubstantive amendments were made for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3232, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3232, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Tom and Yoshinaga.
(Representative Pendleton voted no.)

SCRep. 1026-98 Higher Education on S.B. No. 2207

The purpose of this bill is to provide increased flexibility to the University of Hawaii (University) in its operations to enable it to more completely fulfill its multiple instructional, research, and community service mission in support of the well-being of our state.

Testimony in support of the bill was submitted by the Hawaii Business Roundtable and the Attorney General. The Department of Budget and Finance testified in support of the major policy aspects of the bill. The Hawaii Government Employees Association (HGEA) recommended an amendment to the measure. The University submitted testimony on the bill recommending a number of amendments. An individual commented on the bill.

Your Committee recognizes the contributions that the University makes to Hawaii's economy in terms of educating a workforce and attracting funding for research and training from sources outside the state. Institutions of higher education in other areas of the nation have been used as engines to drive the local economy, particularly in areas of technology. As information and knowledge become increasingly important, especially in business endeavors, it is clear that the University must become a full partner in supporting Hawaii's economic environment.

This bill is consistent with the State Constitution in making the University a quasi-public corporation, allowing it to set its own priorities, own lands, manage funds, and have its own legal counsel. This bill also encourages a stronger entrepreneurial approach, with the hope that the result will be "world-class" standing in key areas and increases in private funding.

Your Committee is fully committed to the approach taken by this bill. The University should be granted the increased authority needed to attain the raised expectations for it. However, as the private sector has learned, the entrepreneurial approach can be successful only if efforts are made to push the increased authority from the top of the University's organizational structure to lower levels. At the same time, however, accountability measures must be established to ensure that the increased authority is being used responsibly. It is this kind of fertile organizational environment that your Committee seeks to enable the University to create.

Your Committee agrees with many of the amendments recommended by the University and the amendment recommended by HGEA.

The bill has been amended by deleting its substance and replacing it with the substance of H.B. No. 2560, H.D. 2, which was passed out of the House of Representatives earlier this session. Using H.B. No. 2560, H.D. 2, as a base, further revisions were made by:

- (1) Urging the University to empower those at lower levels in the University system with more decision-making authority rather than urging the University to decentralize decision-making;
- (2) Modifying the new section on contracts for services provided by the Research Corporation of the University of Hawaii;
- (3) Requiring the Board of Regents (BOR) to manage special and revolving funds to benefit those upon whom fees and charges are imposed, rather than requiring revenues generated by a program to be accessible to the program;
- (4) Authorizing the University President to approve expenditures from any special or revolving fund that exceed the amount appropriated in prior years rather than limiting this authorization to the current year;
- (5) Clarifying that citizenship and residency requirements for state government employees do not apply to University personnel;
- (6) Authorizing BOR to establish an optional retirement plan for University employees, rather than requiring the BOR to study optional retirement systems;
- (7) Authorizing the University to transfer appropriated funds and positions among programs, in addition to transferring positions within programs;
- (8) Exempting the University from the municipal lease provisions of Chapter 37D, Hawaii Revised Statutes, for projects that are \$3,000,000 or less;
- (9) Clarifying that all University personnel rather than only faculty are under the direction of the University President;
- (10) Changing the general fund budget appropriations for the University from a minimum of three to a minimum of three and one-half times the amount of tuition and related fee revenues; and deleting the maximum general fund budget appropriations of five times that amount; and
- (11) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee understands that with regards to contracts with the Research Corporation of the University of Hawaii, the University intends to follow Administration Procedure APS.930.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2207, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2207, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1027-98 Ocean Recreation and Marine Resources on S.B. No. 2078

The purpose of this bill is to support commercial ocean recreation businesses by reducing the cost of transferring a commercial ocean recreation operator's permit from an amount not less than ten percent of the transfer price to an amount not greater than six percent of the transfer price.

Your Committee received testimony in favor of this bill from the Department of Land and Natural Resources. The following organizations submitted supportive testimony, but included suggestions for amending language referring to transfer fees and public auction: Mid-Pacific of Hawaii, Inc.; B-Wet Hawaii, Inc.; Waikiki Parasail I; Water Sports International II; GMS Water Sports, LLC; Pacific Jet Ski Rentals, Inc.; Parasail Kaanapali; Kaanapali Beach Watercraft Rentals; Inc.; Hawaiian Para-Sail; Aloha Parasail; West Maui Parasail; Lahaina Parasail, Inc.; Commercial Parasail Operations, Inc.; Harbor Motor and Marine, Inc.; Seabreeze Parasailing, LTD.; and BOATS Hawaii. Several members of the general public also submitted testimony in favor of this measure.

Testimony in support of the measure in its current draft was submitted by the Kaneohe Bay Regional Council, but it expressed significant concern against inserting the original language of S.B. No. 2078.

Testimony opposing the measure was received from the Sierra Club and members of the general public for the same reason.

Your Committee finds that it is important to be reasonable in determining the business transfer fee for sale of a commercial thrillcraft or parasailing operator's permit. Your Committee finds that a reduction of this transfer fee from ten percent to six percent is reasonable. Your Committee also finds that a permit holder should be able to continue renewing the permit as long as the permit holder has been in compliance with all relevant rules and laws, rather than having the permit go up for auction after ten years.

Your Committee considered and rejected a proposed amendment that would have re-inserted the original language of the bill. Your Committee believes the original language is unacceptable because it would contradict H.B. No. 967, H.D.2, which was signed into law as Act 4, Session Laws of Hawaii 1998, on March 25, 1998.

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

- (1) Exempting transfers between family members for the purpose of business reorganization from the requirement that limits no more than one transfer every two years;
- (2) Deleting the provision that sets a ten-year maximum for renewals of commercial use and operator permits for commercial thrill craft and parasailing activities; and
- (3) Deleting the requirement that the permit may be offered for public auction after the ten year period.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2078, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 2078, S.D. 1, H.D. 2.

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

SCRep. 1028-98 Education on S.B. No. 2171

The purpose of this bill is to require the Department of Health (DOH) to survey all schools to locate all students at risk of experiencing emergency medical situations because of a health condition as diagnosed by a physician.

Your Committee received testimony on this bill from the Department of Education (DOE), DOH, the Hawaii State Teachers Association, the Hawaii Government Employees Association, and the Hawaii Nurses Association.

Your Committee wants to clarify that the survey referred to in Section 1 of the bill will be the collection of information from each individual school.

Your Committee has amended this bill to provide that:

- (1) DOH is to work in collaboration with DOE;
- (2) DOH and DOE are to develop a plan for handling the situation should an emergency arise; and
- (3) The plan shall define the responsibilities of DOH and DOE.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2171, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2171, S.D. 2, H.D. 1.

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

SCRep. 1029-98 Judiciary on S.B. No. 3043

The purpose of this measure is to provide immunity to the State, the Counties, boards, and government employees for errors produced, calculated, or generated by government computer systems that are not year 2000 compliant.

Your Committee received testimony in support of this measure from the Department of the Attorney General and the Department of Accounting and General Services.

Your Committee received testimony in opposition to this measure from representatives of the Chamber of Commerce of Hawaii, Healthcare Association of Hawaii, Hawaii Medical Service Association, Queen's Health Systems, Kaiser Permanente, Pacific Century Financial Corporation, the Hawaii Credit Union League and the Hawaii Bankers Association. Hawaiian Electric Industries and State Farm Insurance Companies also submitted comments on this measure.

Your Committee finds that the potential impact of financial risk to the State as a result of errors produced, calculated or generated by government computer systems that are not year 2000 compliant could be catastrophic and disastrous to the taxpayers of the State of Hawaii. Your Committee notes, however, that members of the private sector will also be impacted by those same government computer system errors. Receiving inaccurate or no information from the State will expose those private persons which rely on timely State provided information to potential liability. Your Committee believes that in the interest of fairness, immunity from liability resulting from government computer system errors as result of not being year 2000 compliant should be extended to all persons.

Your Committee is also concerned that the immunity provided in this measure is too broad. Under the current provisions of the bill, sections -2 and -3 provide the State, its political subdivisions, a board, or a government employee immunity for any breach of contract or any other claim arising out of or based upon, "in whole or in part," any error produced, calculated or generated by a government computer system as a result of the computer system's not being year 2000 compliant, regardless of the cause for the system's not being year 2000 compliant. Thus, the State could conceivably be immune from a claim for which a mere one percent of the alleged harm was actually caused by the computer system error. Therefore, your Committee recommends that this immunity be limited to claims based upon

errors produced, calculated or generated by a government computer system as a result of the system's not being year 2000 compliant.

Your Committee believes that in any event, the State should address these problems and be year 2000 compliant prior to December 31, 2005. In addition, your Committee believes that the current language does not adequately protect the State from lawsuits based on computer errors resulting from the government computer system's not being year 2000 compliant. Although the current language provides the State with broad based immunity, this protection will end on December 31, 2005. As written, your Committee believes that a person with a claim arising out of any errors produced, calculated or generated by a government computer system as a result of the computer system's not being year 2000 compliant may bring a cause of action for harm resulting from those errors beginning January 1, 2006, regardless of when the error which caused the harm may have occurred. Accordingly, to address these concerns immunity should be provided for any error which occurred prior to June 30, 2003.

Your Committee notes that instances may arise where a government computer miscalculates an income tax refund or other payment based on the erroneous assumption that the interest should be calculated from January 1, 1900 rather than January 1, 2000. Similarly, the State may demand payment from an individual for an outstanding claim miscalculating the sums owed based again on the assumption that the claim is outstanding from the year 1900 rather than the year 2000. Based upon these possibilities, your Committee believes that this immunity should not be extended to those persons who receive and fail to return a benefit which they are not entitled to arising out of or based upon any such government computer system errors. Further, your Committee feels those persons who deliberately tamper with a government computer system for the purpose of preventing it from being year 2000 compliant should not be given the broad protections provided by this measure.

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

- (1) Clarifying that the immunity provisions required in contracts and the immunity against suits under the bill will not be limited to protection for the State, its political subdivisions, a board, or a government employee, but this immunity instead will be extended to any person exposed to liability by an error produced, calculated or generated by a government computer system as a result of the system's not being year 2000 compliant;
- (2) Removing the broad language "in whole or in part," thereby clarifying that immunity will be extended only for claims arising out of or based upon an error produced, calculated or generated by a government computer system as a result of the system's not being year 2000 compliant;
- (3) Deleting the sunset date and clarifying that no action may ever be brought against any person for any harm arising out of or based upon any error produced, calculated or generated by a government computer system as result of the system's not being year 2000 compliant, which error occurred prior to June 30, 2003; and
- (4) Excluding from the protections granted under this measure any person who:
 - (a) Deliberately tampers with a government computer system for the purpose of preventing it from being year 2000 compliant; or
 - (b) Receives and fails to immediately return a benefit which they are not legally entitled to arising out of or based upon any error produced, calculated or generated by a government computer system as result of the system's not being year 2000 compliant.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3043, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3043, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Menor and Yoshinaga.
(Representative Thielen voted no.)

SCRep. 1030-98 Labor and Public Employment on S.B. No. 1480

The purpose of this bill is to improve efficiency and reduce paperwork in the Employee's Retirement System (ERS) by:

- (1) Merging the Minimum Pension Fund with the Pension Accumulation Fund; and
- (2) Repealing reference to the Pension Bonus Fund.

The ERS testified in support of this measure.

Your committee notes that this bill is similar to H.B. No. 1813, H.D. 2, which was passed out of the House of Representatives earlier this session. Upon further consideration, this measure has been amended by deleting its substance and inserting the substance of H.B. No. 1813, H.D. 2.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1480, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1480, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1031-98 Labor and Public Employment on S.B. No. 2689

The purpose of this bill is to allow certain appointed County employees to elect to convert from class C noncontributory membership to class A contributory membership in the Employees' Retirement System (ERS).

The Conference of Personnel Directors, the Judiciary, the Department of Personnel of the City and County of Honolulu, the Department of Civil Service of the County of Hawaii, and the Hawaii County Council supported this measure. The ERS commented on this measure.

Your Committee notes that this bill is similar to H.B. No. 3063, H.D. 1, which was passed out of the House of Representatives earlier this session. Upon further consideration, this measure has been amended by deleting its substance and inserting the substance of H.B. No. 3063, H.D. 1.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2689, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2689, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1032-98 Tourism on H.R. No. 26

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to develop a marketing program for educational tourism, in consultation with the University of Hawaii and other educational institutions and visitor industry organizations.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development, and Tourism, and the University of Hawaii School of Travel Industry Management.

Your Committee finds that Hawaii possesses many favorable indicators for its entry into the market of educational tourism, or edutourism, a rapidly expanding segment of the international travel business which combines vacations with academic instruction. Hawaii has already established itself as an education center for foreign students and executives seeking professional development.

By using its strong presence as a travel destination to expand into this niche, Hawaii could reap considerable rewards from this market, which is characterized by travelers with longer average lengths of stay and higher expenditures.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 26, and recommends that it be referred to the Committee on Higher Education.

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

SCRep. 1033-98 Tourism on H.C.R. No. 91

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to develop a marketing program for educational tourism, in consultation with the University of Hawaii and other educational institutions and visitor industry organizations.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development, and Tourism, and the University of Hawaii School of Travel Industry Management.

Your Committee finds that Hawaii possesses many favorable indicators for its entry into the market of educational tourism, or edutourism, a rapidly expanding segment of the international travel business which combines vacations with academic instruction. Hawaii has already established itself as an education center for foreign students and executives seeking professional development.

By using its strong presence as a travel destination to expand into this niche, Hawaii could reap considerable rewards from this market, which is characterized by travelers with longer average lengths of stay and higher expenditures.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 91 and recommends that it be referred to the Committee on Higher Education.

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

SCRep. 1034-98 Tourism on H.C.R. No. 9

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to support efforts to establish a professional sports franchise in Hawaii.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development, and Tourism, Outrigger Enterprises, and the Hawaii Business Roundtable.

Your Committee finds that sports events in general provide tremendous tourism promotion benefits to Hawaii, especially those that generate large amounts of national and international news coverage. The success of sports events in Hawaii.

such as the NFL Pro-Bowl, the Major League Baseball regular season games in 1997 between the San Diego Padres and St. Louis Cardinals, and NBA exhibition games between the Los Angeles Lakers and Denver Nuggets in 1997, demonstrate the feasibility of a professional franchise.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 9 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1035-98 Tourism on H.C.R. No. 84

The purpose of this resolution is to request that all State employees use the word "Aloha" in greeting the public, to embody and perpetuate the Aloha spirit.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development, and Tourism, the Office of Hawaiian Affairs, one City and County of Honolulu Councilmember, and the Aloha Preservation Association.

Your Committee finds that the Aloha spirit is an intangible quality that distinguishes Hawaii from the rest of the world. The hospitality of the people, embodying the Aloha spirit, is one of the key factors that draw millions of visitors to Hawaii. Efforts to promote and strengthen the Aloha spirit will help the visitor industry and improve the quality of life for everyone.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 84 and recommends that it be referred to the Committee on Labor and Public Employment.

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

SCRep. 1036-98 Labor and Public Employment on H.C.R. No. 36

The purpose of this concurrent resolution is to approve:

- (1) The compensation plans and costs submitted by the personnel directors of the State, the Judiciary, and the counties; and
- (2) The accompanying report published by the Public Employees Compensation Appeals Board.

The Conference of Personnel Directors and HGEA/AFSCME Local 152 testified in support of this measure.

Sections 77-4 and 77-5, Hawaii Revised Statutes, require all personnel directors of the State, Judiciary, and counties to review and compile recommendations concerning the compensation plans for civil service employees for submission to the Public Employees Compensation Appeals Board (PECAB). PECAB then hold hearings on these compensation plans and prepares a report to be approved by the Legislature. Your Committee finds that this report entitled, "Report of Findings on Adjustments to the Compensation Plans," which was transmitted to the Legislature on January 8, 1998, has been reviewed.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 36 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Moses.

SCRep. 1037-98 Labor and Public Employment on H.C.R. No. 88

The purpose of this concurrent resolution is to:

- (1) Request the Auditor to conduct an actuarial study of the public employees health fund operations;
- (2) Request the Auditor to audit the public employee health fund operations; and
- (3) Request the Legislative Reference Bureau (LRB) to assess the policy issues relating to changing the structure of the public employees health fund to an employer-union trust concept.

Testimony in support of this concurrent resolution was received from the Department of Budget and Finance and the Hawaii State Teachers Association. Testimony in opposition to this concurrent resolution was received from the United Public Workers, AFSCME, Local 646, AFL-CIO. Testimony commenting on this concurrent resolution was received from the Hawaii Public Employees Health Fund.

Your Committee finds that actuarial projections of the expected growth of the public employee labor force over the next fifteen years is, in fact, needed in order to estimate the projected costs to continue to fund the public employees health fund operations.

Your Committee also finds that in order to estimate the future unfunded liabilities and annual costs to finance the retiree health benefit program, the projected number of retirees, surviving spouses, and dependent children over the next

fifteen years needs to be determined. In addition, your Committee feels that the large number of "baby boomers" approaching retirement, as well as the rising costs of health care for and the increased life expectancy of these "baby boomers", should also be considered.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Adding a WHEREAS clause that the future financial stability of the existing "pay-as-you-go" funding method is threatened by:
 - (a) The large number of "baby boomers" approaching retirement;
 - (b) The increasing cost of health care; and
 - (c) The increased life expectancy of retirees;
- (2) Adding a WHEREAS clause that the Legislature needs to:
 - (a) Determine the projected number of retirees, surviving spouses, and dependent children over the next fifteen years; and
 - (b) Estimate, based on these projections, the future unfunded liabilities and annual costs to finance the retiree health benefit program on the existing "pay-as-you-go" funding method and on an actuarial prefunding method.
- (3) Adding a BE IT RESOLVED clause that the Auditor's actuarial study include:
 - (a) A comparison of the fifty state employee and retiree health care benefit plans; and
 - (b) Long-term strategies to finance the retiree health benefit program and control expenditures.and
- (4) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 88, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 88, H.D. 1.

Signed by all members of the Committee except Representative Moses.

SCRep. 1038-98 Labor and Public Employment on H.R. No. 22

The purpose of this resolution is to:

- (1) Request the Auditor to conduct an actuarial study of the public employees health fund operations;
- (2) Request the Auditor to audit the public employee health fund operations; and
- (3) Request the Legislative Reference Bureau (LRB) to assess the policy issues relating to changing the structure of the public employees health fund to an employer-union trust concept.

Testimony in support of this resolution was received from the Department of Budget and Finance and the Hawaii State Teachers Association. Testimony in opposition to this resolution was received from the United Public Workers, AFSCME, Local 646, AFL-CIO. Testimony commenting on this resolution was received from the Hawaii Public Employees Health Fund.

Your Committee finds that actuarial projections of the expected growth of the public employee labor force over the next fifteen years is, in fact, needed in order to estimate the projected costs to continue to fund the public employees health fund operations.

Your Committee also finds that in order to estimate the future unfunded liabilities and annual costs to finance the retiree health benefit program, the projected number of retirees, surviving spouses, and dependent children over the next fifteen years needs to be determined. In addition, your Committee feels that the large number of "baby boomers" approaching retirement, as well as the rising costs of health care for and the increased life expectancy of these "baby boomers", should also be considered.

Accordingly, your Committee has amended this resolution by:

- (1) Adding a WHEREAS clause that the future financial stability of the existing "pay-as-you-go" funding method is threatened by:
 - (a) The large number of "baby boomers" approaching retirement;
 - (b) The increasing cost of health care; and
 - (c) The increased life expectancy of retirees;

- (2) Adding a WHEREAS clause that the Legislature needs to:
- (a) Determine the projected number of retirees, surviving spouses, and dependent children over the next fifteen years; and
 - (b) Estimate, based on these projections, the future unfunded liabilities and annual costs to finance the retiree health benefit program on the existing "pay-as-you-go" funding method and on an actuarial prefunding method.
- (3) Adding a BE IT RESOLVED clause that the Auditor's actuarial study include:
- (a) A comparison of the fifty state employee and retiree health care benefit plans; and
 - (b) Long-term strategies to finance the retiree health benefit program and control expenditures.
- and
- (4) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 22, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 22, H.D. 1.

Signed by all members of the Committee except Representative Moses.

SCRep. 1039-98 Human Services and Housing and Health on H.C.R. No. 120

The purpose of this resolution is to establish a joint legislative committee who will be designated to support the Good Beginnings Alliance in implementation of its duties designated in the Master Plan, to recommend the reallocation of public funds for early childhood education and care, to encourage integrated and responsive policy and program plans, and other related activities.

The Good Beginnings Alliance and KCAA Pre-Schools of Hawaii submitted testimony in support of this measure. The Department of Human Services submitted comments on this measure.

Your Committee strongly supports early childhood education and care and finds that the establishment of a joint legislative committee acknowledges that families and young children are a high priority in Hawaii, and the examination of issues as they directly pertain to this group is essential to achieve the goals outlined in this resolution.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 120 and recommend that it be referred to the Committee on Education.

Signed by all members of the Committee except Representative Lee.

SCRep. 1040-98 Health on H.C.R. No. 82

This resolution requests the Department of Health (DOH) and the Department of Education (DOE) to collaborate in developing student-centered mental health intervention services for children covered by the Felix v. Cayetano Consent Decree.

The estimated number of Felix-class children needing mental health services has grown to 18,000 - exceeding expectations by 50%. Costs have also escalated. The DOH is requesting nearly \$20 million in emergency appropriations for additional outplacement services and residential placement for this population.

School-based mental health centers can provide more effective and less costly services for Felix-class children needing less extensive and intensive mental health interventions. This has been demonstrated by centers in New Haven, Connecticut, Dallas, Texas and Baltimore, Maryland. Savings result from:

- (1) Lower overhead, since buildings do not need to be purchased or rented,
- (2) No "down time", since school clinicians may see up to ten students daily compared to three to five youths seen in community-based mental health centers,
- (3) Less outreach for youth since services are provided on site to students in school.

Your Committee heard testimony from the DOH and DOE in support of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 82 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Arakaki, McDermott and Ward.

SCRep. 1041-98 Ocean Recreation and Marine Resources on H.C.R. No. 21

The purpose of this concurrent resolution is to authorize the lease of both fast and submerged lands at the Ala Wai Small Boat Harbor for redevelopment, management, and operation by qualified private entities for marina and yacht club purposes.

Your Committee heard testimony in favor of this measure from the Department of Land and Natural Resources (DLNR), the Hawaii Yacht Club, and the Waikiki Yacht Club. BOATS Hawaii and the Hawaii Boaters Political Action Association supported the measure only as it relates to the yacht club leases.

Testimony in opposition to this measure was received from the Office of Hawaiian Affairs, the Ala Wai Marina Board, and several members of the general public.

Your Committee finds that DLNR did not provide sufficient information, including a financial plan, to justify privatizing the Ala Wai Marina. Considering that the Ala Wai Marina is a major asset for the statewide boating system, the disposition of this asset to a private entity must be well justified and carefully considered. Without a financial plan, DLNR cannot justify such a move.

Regarding the Waikiki Yacht Club and Hawaii Yacht Club, your Committee finds that it is in the public interest to authorize a long-term lease for the submerged lands utilized by the clubs. In addition, the marine fueling facility also is in need of a long-term lease, which your Committee finds to be in the public interest as well.

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

- (1) Deleting the authorization to lease submerged lands to the private sector for the redevelopment, management, and operation of the Ala Wai Marina; and
- (2) Authorizing the issuance of a lease for the marine fuel facility situated in the Ala Wai Small Boat Harbor; and
- (3) Changing this resolution title to read: **AUTHORIZING THE LEASE OF SUBMERGED LANDS FOR BOAT MOORING FACILITIES AT THE WAIKIKI YACHT CLUB, HAWAII YACHT CLUB, AND THE MARINE FUEL FACILITY SITUATED AT THE ALA WAI SMALL BOAT HARBOR PURSUANT TO SECTION 171-53, HAWAII REVISED STATUTES.**

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 21, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 21, H.D. 1.

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

SCRep. 1042-98 Education on H.C.R. No. 42

The purpose of this concurrent resolution is to request the School Food Services Program of the Department of Education (DOE) to adopt an official policy to purchase locally produced food whenever possible.

DOE testified in support of the intent of this concurrent resolution. The School Food Services Branch (SFSB), however, has expressed concern about the supply and prices of locally produced food products.

Your Committee agrees that SFSB should adopt an official policy that places a higher priority on the purchase of locally produced foods whenever possible in order to help increase the business visibility and the business viability of Hawaii's farmers and manufacturers.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 42, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1043-98 Education on H.C.R. No. 93

The purpose of this concurrent resolution is to request the Honolulu Public Transit Authority to adopt policies and procedures allowing bus drivers to deny service during school hours to students who do not have valid off-campus passes.

An individual submitted testimony in support of the measure. The Department of Education submitted testimony concurring with the intent of the measure. The Representative from the Forty-Third District recommended an amendment to the measure.

Your Committee finds that many students leave school campuses without valid reasons. This is especially true on the Waianae Coast of Oahu. Currently, bus drivers do not have the authority to deny service to students who should be attending school. This measure seeks to give them that authority through the establishment of policies and procedures.

Your Committee agrees with the amendment proposed by the Representative from the Forty-Third District and has amended the concurrent resolution by properly referring to the Public Transportation Division of the Honolulu Department of Transportation Services rather than the Honolulu Public Transit Authority as the agency that is responsible for The Bus.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 93, as amended herein, and recommends that it be referred to the Committee on Transportation, in the form attached hereto as H.C.R. No. 93, H.D. 1.

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

SCRep. 1044-98 Economic Development and Business Concerns on H.C.R. No. 92

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to work closely with the University of Hawaii's College of Tropical Agriculture (CTAHR) and School of Ocean and Earth Science and Technology (SOEST), the Department of Agriculture (DOA), and appropriate private sector firms to develop strategies and coordinate initiatives to facilitate the growth of Hawaii's biotechnology industry.

Testimony in support of this resolution was submitted by DBEDT, DOA, and the High Technology Development Corporation (HTDC). CTAHR and the University of Hawaii provided testimony in support of the intent of the concurrent resolution.

Your Committee believes the economic vitality of the State is predicated on, among other things, a viable, diversified economic base. Your Committee strongly supports the development of emerging industries that extend the possibilities of rapid growth, the creation of high value jobs, and long term viability. Further, your Committee supports those industries that offer the additional benefits of minimal land area requirements and environmental impacts. Biotechnology, the ability to modify biological organisms using bioengineering processes, is such an industry.

The rapidly growing global market for biotechnology products is currently estimated at \$170 billion. Hawaii, with its mid-Pacific location and favorable climate and ocean conditions, has the natural attributes to become an important player in international biotechnology commerce.

Your Committee recognizes the achievements and dedication of biotechnology experts working in Hawaii. Your Committee believes that while the researchers excel in their field, they often lack the business and marketing acumen to take full advantage of their findings. As such, your Committee has amended this measure by requesting that DBEDT develop a marketing strategy for Hawaii's existing and emerging biotechnology research and development industry.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 92, as amended herein, and recommends that it be referred to the Committee on Higher Education, in the form attached hereto as H.C.R. No. 92, H.D. 1.

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

SCRep. 1045-98 Economic Development and Business Concerns on H.C.R. No. 100

The purpose of this concurrent resolution is to:

- (1) Encourage the formation of a local World Trade Center Association in Hawaii to promote business between Hawaii and the economies of the Asia/Pacific region;
- (2) Request the Department of Business, Economic Development, and Tourism (DBEDT) to loan out its license to the name and logo of the World Trade Center Association in Hawaii to a private sector consortium spearheaded by the Chamber of Commerce of Hawaii, and
- (3) Encourage DBEDT to assist in the formation of a local World Trade Center Association.

Your Committee received testimony in support of this concurrent resolution from DBEDT. The Pacific Basin Economic Council and an individual provided oral comments regarding this measure. An individual testified in opposition to this concurrent resolution.

Your Committee strongly supports the formation of a local World Trade Center Association. The presence of a local World Trade Center Association in Hawaii will support economic development in Hawaii by generating awareness of international business opportunities at home and abroad leading to new export markets, industries, and job creation in Hawaii.

Further, your Committee notes that the State acquired the rights to the name, "World Trade Center Association in Hawaii", and its accompanying logo for the amount of \$117,000. Your Committee feels strongly that such an expenditure should be justified through the use of the purchased property.

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

- (1) Requesting DBEDT to market, instead of loaning out, its license to the name and logo of the World Trade Center;
- (2) Removing the Chamber of Commerce of Hawaii as the chosen agency to spearhead the private sector consortium to which DBEDT markets its license to the name and logo of the World Trade Center; and
- (3) Requesting that DBEDT submit a report to the Legislature regarding the actions taken pursuant to this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 100, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 100, H.D. 1.

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

SCRep. 1046-98 Economic Development and Business Concerns on H.C.R. No. 112

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to establish the "Business Aloha Team Program" that is to be comprised of an ad hoc group of senior decision-makers from public and private sector organizations to:

- (1) Address, resolve, and remove obstacles that businesses face in conducting business in the State; and
- (2) Assist businesses in achieving the conditions necessary to create and to retain jobs.

An individual provided testimony in support of this measure. Both DBEDT and the Director of the California Office of Trade and Investment provided supporting testimony.

Your Committee recognizes that a healthy business climate is key to retaining businesses in the State and encouraging businesses to locate to the State. This resolution helps foster a "business-friendly" environment through a program that is designed to provide support and services to businesses through incentives and problem-solving mechanisms.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 112 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1047-98 Ocean Recreation and Marine Resources on H.C.R. No. 115

The purpose of this resolution is to support the establishment the Marine Bioproducts Engineering Center, with facilities at the University of Hawaii, as a key component for the future success of marine biotechnology in Hawaii.

Your Committee received testimony in favor of this measure from the Department of Economic Development and Tourism, the University of Hawaii School of Ocean and Earth Science and Technology, AquaSearch, Cyanotech, and members of the general public.

Your Committee finds that the future of biotechnology in Hawaii depends upon a combination of State investment in up-to-date biotechnology facilities, and public and federal support. The Marine Bioproducts Engineering Center would provide this much needed institutional mechanism for limiting these sectors.

After considering the testimony, your Committee recommends passing this measure unamended.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 115 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Goodenow and Yoshinaga.

SCRep. 1048-98 Labor and Public Employment on S.B. No. 2889

The purpose of this bill is to streamline government and eliminate nonessential boards and commissions by eliminating the Advisory Committee on Labor and Industrial Relations established by section 26-20 of the Hawaii Revised Statutes (HRS). This bill also removes references in section 26-20, HRS, to the industrial accident boards which were repealed in 1969.

The Department of Labor and Industrial Relations submitted testimony in support of the bill.

Your Committee has amended this bill to correct a reference to the "Hawaii employment relations board," which should be called the Hawaii Labor Relations Board.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2889, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2889, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1049-98 Labor and Public Employment on S.B. No. 2680

The purpose of this bill, as received by your Committee, is to amend the state civil service law to require transmittal of final employee performance ratings to the Director of Human Resources Development only upon request of the Director. The bill also deletes a reference to "step increases" which are now covered by collective bargaining.

The Department of Human Resources Development and the Department of Civil Service for the County of Hawaii testified in support of this measure.

Your Committee notes that this bill is similar to H.B. No. 3054, H.D. 1, which was passed out of the House of Representatives earlier this session after a public hearing before this Committee.

Your Committee has amended this bill by:

- (1) Clarifying that the requirement that a copy of an employee's final performance rating be transmitted upon request, applies to requests of the State as well as the County Directors of Human Resources Development; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2680, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2680, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1050-98 Transportation on S.B. No. 2913

The purpose of this bill, as received by your Committee, is to amend the horsepower and maximum speed limitation for mopeds.

Testimony in support of this measure was heard from the Department of Transportation.

This bill proposes to require every moped to be equipped with a motor having a maximum power of two horsepower. The bill also changes the maximum speed limitation from thirty-five miles per hour to thirty miles per hour, but allows mopeds registered prior to the effective date of this bill to operate up to the thirty-five miles per hour speed limit.

Your Committee finds that this measure would aid in the enforcement of traffic laws by clarifying the definition of a moped.

Your Committee has amended this bill by adding a "C" to Section 1, page 1, line 19.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2913, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2913, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Yamane.

SCRep. 1051-98 Judiciary on S.B. No. 1065

The purpose of this measure is to streamline the language concerning election offenses and penalties by repealing unnecessary and redundant provisions.

Your Committee received testimony in support of this measure from the Chief Election Officer.

Your Committee agrees that the language concerning election offenses and penalties requires clarification. Your Committee finds, however, that the repeal of section 19-7, Hawaii Revised Statutes (HRS), would contradict the original intent of the section which prescribed penalties for election law misdemeanors different from misdemeanor penalties under the penal code. Your Committee also finds that it is unclear whether the penalty for violations of section 11-95, HRS, is applicable to both employers and employees.

Your Committee has amended this measure by:

- (1) Clarifying that the penalty in new section 11-95(b), HRS, shall apply to employers;
- (2) Adding a new subsection (c) to section 11-95, HRS, subjecting an employee who takes time off from work, in exercise of the privileges conferred under section 11-95, without the intention to vote, to a fine of not less than \$50 nor more than \$300; and
- (3) Deleting the repeal of section 19-7, HRS.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1065, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1065, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1052-98 Judiciary on S.B. No. 2253

The purpose of this bill, as received by your Committee, is to create the new criminal offense of street solicitation of prostitution. This bill would make street solicitation of prostitution a class C felony.

Your Committee received testimony in support of this bill from the Honolulu Police Department, Hawaii Hotel Association, AIDS Community Care Team, and Domestic Violence Clearinghouse and Legal Hotline. The Office of the Public Defender and the Department of Business, Economic Development, & Tourism commented on this bill.

Your Committee notes that the only difference between the new class C felony offense of street solicitation created by this bill, and the existing petty misdemeanor offense of prostitution under section 712-1200, Hawaii Revised Statutes, is the element that the solicitation occur in a public place or a place open to public view. Thus, this bill would create a two-caste system where those convicted of solicitation in a public place are punished more severely than those convicted of solicitation in a private place.

Your Committee further finds that making street solicitation a class C felony would not address concerns about the "revolving door" under existing law, that puts prostitutes back out on the streets shortly after they are arrested. Regardless of whether the offense is a petty misdemeanor or a class C felony, those accused of offenses involving prostitution will still have a right to pretrial bail.

In fact, by making street solicitation a class C felony, those charged will have a right to a jury trial. This contradicts the intent of prior legislation providing for the prompt resolution of cases involving prostitution. The delay between arrest and a jury trial will give those accused of street solicitation the opportunity to leave the jurisdiction before their case is resolved. An increase in jury trials may also overburden our court system.

Therefore, your Committee has amended this bill by removing its contents and replacing it with the contents of H.B. 2381, H.D. 1, the House version of the street solicitation bill. The House version requires, as a mandatory condition of probation and bail, that defendants observe geographic restrictions prohibiting them from being on the streets of Waikiki from 6 p.m. to 6 a.m.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2253, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2253, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1053-98 Judiciary on S.B. No. 2740

The purpose of this bill is to allow trustees to distribute money and property in kind on a pro rata and non-pro rata basis.

The Estate of James Campbell, Bank of Hawaii, and one concerned individual testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2740, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2740, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1054-98 Judiciary on S.B. No. 2957

The purpose of this measure is to prohibit posting signs on utility or light poles, and replace the penalty of imprisonment with community service.

Testimony in support of this measure was received from representatives of Na Leo Pohai and Citizens Utilities Company.

Your Committee finds that while it is clear that posting signs or other foreign objects remains unlawful, the litter created, together with the safety hazards posed by tacks, nails, and staples that are left behind by persons who unlawfully post these objects requires effective measures to further deter this practice and ensure the removal of unlawfully posted materials.

Your Committee believes that requiring the person responsible for the unlawful posting or the person sponsoring the event advertised on the posted material to remove the material will create more accountability in this area and provide specific statutory authority to enable enforcement of the law.

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

- (1) Reinserting the authority to impose imprisonment of not more than one month for an unlawful posting violation;
- (2) Requiring a person, who acts knowingly as to posting, and who is either responsible for posting the material or the person sponsoring the event on the posted material, to remove the posted material within seventy-two hours of the date of the event advertised on the posted material;

- (3) Subjecting a person who fails to remove the posted material within the time specified to a fine of not less than \$100, but not more than \$200 per posted material, or community service of not less than ten hours nor more than twenty hours, or both; and
- (4) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2957, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2957, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1055-98 Judiciary on S.B. No. 2697

The purpose of this bill is to give the circuit and district courts concurrent jurisdiction with the family courts over certain offenses.

The Judiciary and the Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of this bill.

Your Committee finds that one incident can give rise to several different charges. Some of these charges, like a violation of a family court restraining order or misdemeanor abuse of family and household member, fall under the jurisdiction of the family court, while others may fall under the jurisdiction of the circuit or district courts. Current law prevents the State from bringing all the related charges at one time before one court.

This bill addresses that problem by giving the circuit, district, and family courts concurrent jurisdictions over certain offenses. However, your Committee finds that the language of the bill as received is too broad because it gives the circuit courts concurrent jurisdiction with the family courts over certain misdemeanors. It also gives the family court jurisdiction over any district court misdemeanor or petty misdemeanor.

Therefore, your Committee has amended this bill by allowing the State to charge a defendant in the circuit, family, or district courts when the complaint or indictment consists of multiple offenses and at least one of the offenses is a violation of section 709-906, Hawaii Revised Statutes (HRS), or a violation of an order issued under Chapter 586, HRS.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2697, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2697, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1056-98 Finance on S.B. No. 1638

The purpose of this bill is to reduce the budget of the Office of Hawaiian Affairs (OHA) by an unspecified percentage.

The Office of Hawaiian Affairs testified in opposition to this measure.

Upon further consideration, your Committee has amended this bill to reflect a zero reduction in OHA's budget.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1638, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1638, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1057-98 Finance on S.B. No. 3015

The purpose of this bill is to clarify the application of the general excise tax exemption for aircraft service and maintenance facilities established by Act 107, Session Laws of Hawaii 1997.

Specifically, this bill would amend the current exemption by:

- (1) Exempting the sale of various items used to service or maintain aircraft;
- (2) Limiting the construction exemption to service and maintenance facilities with areas of at least eighty thousand square feet; and
- (3) Specifically excluding from the exemption refueling, janitorial services or cleaning, restocking of aircraft and passenger supplies including food, food products, and liquor, and loading or unloading of cargo or passenger baggage.

Aloha and Hawaiian Airlines supported the bill. The Department of Taxation generally supported the bill. The Hawaii Tax Foundation commented on the measure.

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

- (1) Deleting the exemption for sales of items to service or maintain the aircraft; and
- (2) Allowing the construction exemption for service and maintenance facilities with areas of not less than thirty thousand square feet.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3015, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3015, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1058-98 Finance on S.B. No. 3141

The purpose of this bill is to relieve general contractors of their subcontractors' general excise tax liability.

The Small Business Task Force on Regulatory Relief supported the measure. The Subcontractors Association of Hawaii supported the intent of the bill. The Department of Taxation, the Tax Foundation of Hawaii, the Building Industry Association of Hawaii, the Contractors Association of Kaua'i, a certified public accountant, and numerous contractors and individuals commented on the measure.

Upon further consideration, your Committee has amended the bill by deleting the amendments made to the bill as introduced. Specifically, this amendment will remove reporting requirements of the general contractor and require that the general contractor need only provide the general excise number of the subcontractor.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3141, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3141, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1059-98 Finance on S.B. No. 3004

The purpose of this bill is to amend the State income tax law by:

- (1) Conforming it to the Internal Revenue Code; and
- (2) Adopting the federal Hope Scholarship and Lifetime Learning tax credits.

The Hawaii Government Employees Association testified in support of the measure. The Department of Taxation, the University of Hawaii, the Executive Office on Aging, the Tax Foundation of Hawaii, the Hawaii Association of Realtors, the Hawaii State Association of Life Underwriters, AARP, the American Council of Life Insurance, and an individual commented on the bill.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting the substance of the Internal Revenue Code conformity bill (H.B. No. 2512, H.D. 1) heard by the Finance Committee on February 27, 1998.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3004, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3004, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1060-98 Finance on S.B. No. 1310

The purpose of this bill is to ensure that the name of the Criminal Injuries Compensation Commission more accurately reflects its purpose by renaming it the Crime Victim Compensation Commission.

The Criminal Injuries Compensation Commission testified in favor of this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1310, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1310, S.D. 1, H.D. 2.

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

SCRep. 1061-98 Judiciary on S.B. No. 1597

The purpose of this measure is to establish administrative or civil penalties in Chapter 187A, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources (DLNR). Your Committee also received comments on this measure from the Office of the Public Defender and two concerned individuals.

Your Committee finds that violations of aquatic resource laws are currently handled through criminal penalties. Your Committee believes that the establishment of specific administrative or civil penalties for violations will provide DLNR with the capability to efficiently and appropriately enforce aquatic resource laws and rules. Your Committee feels that the penalties applied to offenses involving threatened or endangered species, however, should be distinguished to reflect the serious nature of the offense.

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

- (1) Clarifying that the administrative fines for violations involving threatened or endangered species for first, second, and third or subsequent violations shall be \$5,000, \$10,000, and \$15,000 respectively;
- (2) Providing that the administrative fines for all other violations for first, second, and third or subsequent violations shall be \$1,000, \$2,000, and \$3,000 respectively;
- (3) Clarifying that in addition to the administrative fines for violations involving threatened or endangered species, a fine of up to \$5,000 may also be levied for each specimen of threatened or endangered aquatic life taken, killed, or injured or threatened or endangered rock or coral taken, broken, or damaged; and
- (4) Providing that in addition to the initial administrative fines, an additional fine of up to \$1,000 may be levied for each specimen of all other aquatic life taken, killed, or injured or rock or coral taken, broken, or damaged.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1597, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1597, S.D. 1, H.D. 2.

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

SCRep. 1062-98 Legislative Management on H.R. No. 16

The purpose of this resolution is to request the Legislative Reference Bureau (LRB) to conduct a study on encouraging and facilitating organ donation in Hawaii.

Kaiser Permanente supported this measure. The Hawaii Nurses' Association submitted testimony supporting the intent of this measure.

Your Committee finds that Hawaii's rate of organ donation is below the national standard. Based on the findings and recommendations of LRB's study, your Committee hopes that Hawaii's health care community and families will be able to agree upon culturally-sensitive methods and strategies to encourage organ donation and save lives.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 16, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Say, P. Oshiro and Kawanakoa.

SCRep. 1063-98 Public Safety and Military Affairs and Health on H.R. No. 30

The purpose of this resolution is to request that the Department of the Health (DOH) and the Department of Public Safety (DPS), in coordination with other agencies and programs, transmit to the Legislature a report and specific recommendations that address the State of Hawaii's treatment and dispensation of forensic inmates.

Your Committees find that current circumstances are such that the majority of patients in our psychiatric hospitals are patients committed by the courts. Your Committees also find that after these patients are committed and treated, there are barriers to their transfer into the prison system or their release back into the community.

DPS and DOH testified in support of this measure. A consultant engaged by DOH regarding the admission and discharge of psychiatric patients commented on this resolution. The Attorney General, the Judiciary, and the State Prosecutor's Office testified that they were present to provide input as needed.

Upon consideration, your Committees have amended this resolution by:

- (1) Adding a WHEREAS clause that states that preventive mental health services have proven effective and would help to reduce overpopulation of forensic psychiatric patients at the Hawaii State Hospital;
- (2) Adding a BE IT RESOLVED clause requesting the report include:
 - (a) A plan for preventive service; and
 - (b) A plan for the dispensation of forensic psychiatric patients;
- (3) Adding a BE IT RESOLVED clause requesting the report to state clearly which department will provide:

- (a) A physical site for forensic psychiatric patients; and
 - (b) Administration of said site;
- and
- (4) Making technical, nonsubstantive changes for purposes of clarity, style, and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 30, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 30, H.D. 1.

Signed by all members of the Committees except Representatives Jones, Kahikina, Kawakami and Ward.

SCRep. 1064-98 Public Safety and Military Affairs on H.C.R. No. 69

The purpose of this concurrent resolution is to request the planning and implementation of beach restoration and nourishment projects in Hawaii.

Testimony in support of this concurrent resolution was received from the Department of Land and Natural Resources, the Office of Planning, The Coastal Zone Management Program, and the Department of the Interior Minerals Management Service.

Your Committee finds that coastal erosion is a significant problem facing Hawaii. Your Committee further finds that the close cooperation of government agencies is necessary if effective solutions to this problem are to be developed and implemented. Involvement of the military is also an important component of this effort.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 69, H.D. 1, and recommends its adoption.

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

SCRep. 1065-98 Public Safety and Military Affairs on H.C.R. No. 37

The purpose of this concurrent resolution is to request Congress to continue to maintain a modern, state-of-the-art helicopter assault brigade at Schofield Barracks to ensure that the soldiers who enforce American foreign policy abroad can protect the best interests of the United States, its allies, and its trading partners in Asia.

Your Committee did not receive any public testimony.

Your Committee has amended the concurrent resolution by replacing the term "assault" with "aviation" throughout the entire concurrent resolution to clarify the descriptive nature of the helicopter brigade.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 37, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 37, H.D. 1.

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

SCRep. 1066-98 Hawaiian Affairs on H.C.R. No. 143

The purpose of this concurrent resolution is to request the State Auditor to update its 1991 study of the Department of Hawaiian Home Lands (DHHL) land entitlements.

The State Council of Hawaiian Homestead Associations, the Office of Hawaiian Affairs, the Nanakuli Hawaiian Homestead Community Association, and a spokesperson for the Aged Hawaiians (1952 Applicants) testified in support of this measure. DHHL testified in support of this measure with a suggested amendment that the Department of Land and Natural Resources (DLNR) be responsible for the requested report. The Board of Land and Natural Resources (BLNR) commented on this measure.

In its written testimony, BLNR recommended that several related legal issues be clarified by the Attorney General (AG) before any update of the Auditor's 1991 report is undertaken. BLNR specifies four legal issues which it considers directly relevant to DHHL's land entitlements. In response, your Committee has amended this concurrent resolution to request the Auditor to consult with the AG regarding these legal concerns.

Additionally, your Committee has amended the title of this concurrent resolution to read, "ADDRESSING CONCERNS RELATING TO PAYMENTS MADE TO THE DEPARTMENT OF HAWAIIAN HOME LANDS."

Your Committee urges DLNR to continue to fully cooperate with DHHL in regards to land entitlements.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 143, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 143, H.D. 1.

Signed by all members of the Committee except Representative Kawanakoa.

SCRep. 1067-98 Hawaiian Affairs on H.C.R. No. 204

The purpose of this concurrent resolution, as received by your Committee, is to request the Chairperson of the Board of Land and Natural Resources (BLNR) to conduct initial inquiries to ascertain the existence of cultural and religious protocol in the Waialeale area on the island of Kauai to establish guidelines to facilitate reasonable traditional cultural and religious practices in the vicinity of Mount Waialeale's summit.

An individual testified in support of the measure. Testimony in support of the intent of the measure was submitted by another individual. The Department of Land and Natural Resources and the Office of Hawaiian Affairs submitted testimony in opposition to this measure.

Upon further consideration, your Committee has amended this concurrent resolution by deleting its contents and inserting therefore new material, the purpose of which is to request:

- (1) The BLNR Chair to convene and facilitate community meetings, and utilizing the input from these meetings and referencing the relevant law, develop guidelines regarding access to Mount Waialeale's summit; and
- (2) BLNR to submit findings and proposed actions regarding the request contained in this concurrent resolution, to the Legislature prior to the convening of the 1999 Regular Session.

In addition, your Committee has amended the title of this concurrent resolution to read: "REQUESTING COMMUNITY MEETINGS BE HELD TO DEVELOP GUIDELINES REGARDING ACCESS TO THE SUMMIT OF MOUNT WAIALEALE".

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 204, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 204, H.D. 1.

Signed by all members of the Committee except Representative Kawanakoa.

SCRep. 1068-98 Hawaiian Affairs on H.C.R. No. 245

The purpose of this concurrent resolution is to support the:

- (1) Withdrawal of 4.5 acres from the operation of the Governor's Executive Order No. 1529; and
- (2) Transfer of this land to Department of Hawaiian Home Lands (DHHL).

DHHL testified in support of this measure.

Your Committee finds the 4.5 acres to be transferred to DHHL is an integral part of DHHL's homestead development in Kalawahine, Oahu. Without the 4.5 acres, approximately 16 homes and a park will not be provided to native Hawaiian beneficiaries. Under section 171-11, Hawaii Revised Statutes, the power granted to the Governor to set aside or withdraw or withdraw and set aside public lands is exercised subject to disapproval by the Legislature. This measure affirms the Legislature's support of the Kalawahine land transfer.

This measure was amended by making technical, nonsubstantive revisions.

Your Committee recommends that DHHL consult with the Attorney General to clarify the proper legal process in which the 4.5 acres will be formally transferred from the Department of Land and Natural Resources to DHHL.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 245, as amended herein, and recommends that it be referred to the Committee on Water and Land Use in the form attached hereto as H.C.R. No. 245, H.D. 1.

Signed by all members of the Committee except Representative Kawanakoa.

SCRep. 1069-98 Human Services and Housing on H.C.R. No. 190

The purpose of this concurrent resolution is to move welfare recipients from dependence to self-sufficiency by requesting the Department of Human Services (DHS), with the cooperation of the Departments of Business, Economic Development, and Tourism (DBEDT), and Labor and Industrial Relations (DLIR), other appropriate agencies, and the general public to develop a master plan to identify the impediments to work for welfare recipients.

DBEDT and the Welfare and Employment Rights Coalition submitted testimony in support of this measure. DHS opposed this measure.

DHS testified that the master plan that is being requested, while important, would be difficult to complete in the allotted timeframe. In addition, DHS stated that it is actively working with other public and private agencies to design strategies to help welfare recipients receive good-paying jobs.

Your Committee believes that this measure, as received, would facilitate efforts to overcome barriers that prohibit the successful transition from public assistance to self-sufficiency, but has determined that the master plan may be unfeasible.

Thus, your Committee has amended this measure by:

- (1) Deleting its substance and inserting language to request the Governor, the Senate, and the House of Representatives to convene a working group to identify impediments to work for welfare recipients;
- (2) Changing the title to read: "REQUESTING THE ESTABLISHMENT OF A WORKING GROUP TO IDENTIFY IMPEDIMENTS TO WORK FOR WELFARE RECIPIENTS";
- (3) Requesting the working group to propose recommendations to provide more work opportunities for welfare recipients;
- (4) Enabling the working group to develop, in full or in part, a master plan as outlined in S.B. No. 2621, S.D. 2, in its process to meet the purposes of the concurrent resolution;
- (5) Designating members to the working group; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 190, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 190, H.D. 1.

Signed by all members of the Committee except Representative Lee.

SCRep. 1070-98 Human Services and Housing on H.R. No. 59

The purpose of this resolution is to request the Department of Human Services (DHS) to allocate resources for a communication skills instructor in the Vocational Rehabilitation and Services for the Blind Division (Division).

Three concerned individuals submitted testimony in support of this measure.

Your Committee finds that it is fundamental for the vocational rehabilitation of the blind and visually impaired that they be taught braille and communication skills, such as typing and computer work. Without these fundamental communication tools, these individuals are impaired from continuing on to higher education or maximizing job readiness.

Your Committee has amended this measure by:

- (1) Requesting the Governor to allocate resources for a communication skills instructor;
- (2) Changing the title to read: "REQUESTING THE GOVERNOR AND THE DEPARTMENT OF HUMAN SERVICES TO ALLOCATE RESOURCES FOR A COMMUNICATION SKILLS INSTRUCTOR IN THE VOCATIONAL REHABILITATION AND SERVICES FOR THE BLIND DIVISION";
- (3) Clarifying that DHS previously employed a communication skills instructor who retired, thereby creating the need to fill this position;
- (4) Clarifying that communication skills necessary for job readiness and higher education include such skills as typing and computer work;
- (5) Requesting the Department of Education to work with the Division to prepare blind and visually impaired students for higher education and to maximize job readiness;
- (6) Transmitting this resolution to the Director of Education; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 59, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 59, H.D. 1.

Signed by all members of the Committee except Representative Lee.

SCRep. 1071-98 Health on H.C.R. No. 63

The purpose of this concurrent resolution, as received by your Committee, is to request the Department of Health (DOH), in consultation with the Department of Human Services (DHS) to conduct a study on female genital mutilation in the State.

The Hawaii Nurses' Association testified in support of this measure. The Hawaii State Commission on the Status of Women testified in support of the intent of the measure. DOH submitted testimony indicating that it cannot support such a study, as genital mutilation is not a "reportable disease," which would be made known to DOH.

Your Committee finds that female genital mutilation is an extremely painful, traumatic, and disfiguring procedure that endangers the health and welfare of girls and women. It has been practiced throughout the Middle East, Africa, and some areas of South East Asia, and continues to be practiced in these regions to the present day.

Your Committee further finds that this procedure has been documented in other states, where some immigrant communities actively continue this practice. Due to the severity of this procedure, your Committee believes that there should be legislation to specifically prohibit female genital mutilation from being performed in Hawaii.

Upon careful consideration, your Committee has amended this concurrent resolution by deleting its contents and inserting new material, the purpose of which is to request DHS to:

- (1) Draft legislation prohibiting female genital mutilation in Hawaii;
- (2) Develop recommendations to educate local health care professionals and law enforcement agents about this heinous activity; and
- (3) Submit proposed legislation and recommendations to the Legislature no later than twenty days prior to the convening of the 1999 Regular Session.

Accordingly, your Committee has amended the title of the concurrent resolution to read: "REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO DRAFT LEGISLATION PROHIBITING FEMALE GENITAL MUTILATION IN HAWAII".

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 63, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 63, H.D. 1.

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

SCRep. 1072-98 Health on H.C.R. No. 192

The purpose of this concurrent resolution is to determine the impact of a full partnership between the State and private health plans in providing needed early intervention services to infants and toddlers by requesting the Auditor to study the social and financial impacts of requiring health insurance coverage for early intervention services.

The Hawaii Medical Service Association, the Department of Health (DOH), and the Hawaii Early Intervention Coordinating Council submitted testimony in support of this concurrent resolution.

Your Committee finds that DOH has recently negotiated a carve-out of early intervention services under Title XIX. This is a cost-effective investment for both the private insurers and the State to assure that they will jointly be responsible for providing the least costly treatment services.

Your Committee believes that the audit would assure that private health insurance meets its responsibilities to work in partnership with the State to provide early intervention services for families, but finds that an important group, employers, were not included among those whom this concurrent resolution will be transmitted. Inasmuch as this study contemplates a mandated benefit that employers will have to fund, your Committee believes that it would be appropriate to involve employers at the outset of the study of proposed new mandated benefits.

Your Committee has amended this measure by:

- (1) Transmitting certified copies of this concurrent resolution to the Chamber of Commerce of Hawaii and Small Business Hawaii; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 192, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.C.R. No. 192, H.D. 1.

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

SCRep. 1073-98 Health on H.C.R. No. 174

This resolution requests the Legislative Reference Bureau to study the feasibility of continuing a peer education program, examine the impact of such a program on Hawaii's youth, survey similar programs in other states, determine which agency should administer it and explore alternate funding methods. Under current fiscal restraints, neither the Department of Health (DOH) nor the Department of Education (DOE) will be able to fund this valuable program.

Your Committee heard testimony from DOH in support of this measure. The DOE, while supportive, felt a study was not warranted.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 174 and recommends that it be referred to the Committee on Education.

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

SCRep. 1074-98 Health on H.C.R. No. 227

The purpose of this concurrent resolution is to request a study of the cost implications of enacting a direct payment law for dentists.

The Hawaii Dental Association and several individuals submitted testimony in support of this measure. The Hawaii Medical Service Association and the Legislative Information Services of Hawaii submitted comments.

Your Committee believes that individuals have the right to choose the dentist and dental care that is best for the individual and individual's family without restrictions from third party payors. However, your Committee understands that further debate on the direct-only payment proposal needs to be more thoroughly explored.

To provide a more balanced and complete description of the problem, your Committee has amended this measure by:

- (1) Stating that during this current legislative session, the only legislative proposal relating to dental reimbursement heard by the House of Representatives was H.B. No. 3105, which dealt with direct and equal payment to non-participating dentists;
- (2) Expressing the need for more debate on the direct-only payment proposal;
- (3) Deleting references that misrepresented HMSA or the Hawaii Dental Service position;
- (4) Including a statement reported by HMSA indicating that in several jurisdictions throughout the country, direct payment laws have been struck down as preempted by the Employee Retirement Income Security Act calling into question the legality of any proposed direct payment law; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 227, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.C.R. No. 227, H.D. 1.

Signed by all members of the Committee except Representative Ward.

SCRep. 1075-98 Health on H.C.R. No. 223

The purpose of this concurrent resolution is to support the concept of parity and nondiscrimination in health care for mental illnesses by requesting the Auditor to conduct a study of mandatory health insurance coverage for mental health.

Testimony in support of this measure was submitted by the Hawaii Medical Service Association, the Hawaii Government Employees Association, NAMI Oahu, the Equal Insurance Coalition, the Hawaii Psychiatric Medical Association, and the Hawaii Psychological Association.

This session, the Legislature may pass H.B. No. 427, which proposes that policy coverages for health insurance be required to include treatment for adults with severe mental illnesses and for children with serious emotional disturbances. However, before the Legislature can consider such legislation, Section 23-51, Hawaii Revised Statutes, requires the Legislature to first pass a concurrent resolution requesting the Auditor to prepare a report assessing both the social and financial effects of the proposed mandated coverage. A similar concurrent resolution was adopted in 1997; however, the subsequent Auditor's report noted that there was insufficient detail to estimate a financial impact.

Therefore, your Committee has amended this measure by:

- (1) Requesting the Auditor to clarify insufficient detail which may prohibit an accurate assessment of social and financial impacts of proposed mandated insurance coverage for mental health; and
- (2) Making technical, nonsubstantive revisions to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 223, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce, in the form attached hereto as H.C.R. No. 223, H.D. 1.

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

SCRep. 1076-98 Health on H.C.R. No. 123

The purpose of this concurrent resolution is to provide continued access to primary health care services for students by requesting the Department of Health (DOH) to:

- (1) Make the school-based health clinic program (program) permanent;
- (2) Restore funding to the program;
- (3) Expand the program to reach other high school campuses; and
- (4) Work with the Department of Education (DOE) to integrate the program into the Comprehensive Student Support System.

DOH and DOE submitted testimony in support of the intent of this concurrent resolution. One individual submitted testimony in opposition to this measure.

As a public health service, school-based health centers provide a variety of physical and mental health services that address real problems that students encounter. These services range from immunizations for childhood disease and nutrition counseling, to pregnancy testing and referrals for child abuse and neglect. There has been much controversy over the discussion as to what are appropriate services that school-based health centers should provide.

Your Committee believes that the community, in partnership with the schools, is the best resource to decide upon the most appropriate services for the program. Your Committee further believes that regardless of what services a community deems appropriate, the program must focus on facilitating access to primary health care.

It is not the intent of your Committee to support the program as a means to provide mental health services to Felix-class children and youth who require less extensive and intensive mental health intervention techniques to effectively treat their mental health needs. Instead, it is to work collaboratively with DOH and DOE to reach a similar goal: to provide access to appropriate and comprehensive health care services to students on campus.

Your Committee has amended this measure by:

- (1) Specifying that communities should decide upon the most appropriate services for their program;
- (2) Stressing that whatever the community deems appropriate, the focus of the program should be on facilitating access to primary health care;
- (3) Specifying that it is essential that DOH and DOE, under the auspices of the Board of Education's policies, respect parental involvement and notification in the development of the program;
- (4) Deleting the list of basic physical and mental health needs that, if not addressed, prevent students from learning; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 123, as amended herein, and recommends that it be referred to the Committee on Education, in the form attached hereto as H.C.R. No. 123, H.D. 1.

Signed by all members of the Committee except Representatives Lee, Stegmaier and Ward.
(Representative McDermott voted no.)

SCRep. 1077-98 Legislative Management on H.C.R. No. 59

The purpose of this concurrent resolution is to reduce or eliminate the prevalence of drug and alcohol abuse among teenagers by requesting a study to determine the feasibility of establishing a residential treatment center for adolescents in Hilo, Hawaii.

The Office of Hawaiian Affairs and numerous individuals submitted testimony in support of this measure. The Department of Health and the Office of Youth Services (OYS) concurred with the intent of the measure, but indicated that a feasibility study is not necessary.

Your Committee finds that a very serious problem exists not only in Hilo, but throughout the entire state. Accordingly, your Committee has amended this measure by:

- (1) Eliminating reference to the Legislative Reference Bureau and requiring the Department of Health, in collaboration with the OYS and the Department of Education (DOE), to submit a short- and long-term prioritized cost-effective plan to address the increasing problems of adolescent alcohol and drug abuse throughout the State;
- (2) Providing that the plan include:
 - (A) The requirement for any additional school-based and residential treatment centers;
 - (B) The locations and time frame for the establishment of such treatment centers based on prioritized need and probable availability of funds;
 - (C) The number that would be serve by each center;
 - (D) The costs and benefits of establishing each center;
 - (E) The availability of federal or private funds for the construction, establishment, and operation of these centers;
 - (F) Effective utilization of parents' health care insurance benefits to defray treatment costs;
 - (G) Collaboration with DOE teachers and counselors in the early detection and referral of students suspected or known to be substance abusers, including the involvement of parents to share treatment and cost responsibilities;

- (H) Treatment concepts to be employed, based on Hawaii's own experiences and successful treatment models across the country; and
 - (I) An assessment of the effectiveness or success of existing alcohol and drug prevention programs and the need for changes based on Hawaii's experiences or prevention models employed throughout the country; and the implementation of such program or program changes;
- (2) Changing the title to read: "REQUESTING THAT THE DEPARTMENT OF HEALTH RECOMMEND TO THE LEGISLATURE SPECIFIC TREATMENT PROGRAMS TO ADDRESS THE INCREASING PROBLEMS OF ADOLESCENT ALCOHOL AND DRUG ABUSE THROUGHOUT THE STATE"; and
 - (3) Making other technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 59, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 59, H.D. 2.

Signed by all members of the Committee except Representatives Say, P. Oshiro and Kawanakoa.

SCRep. 1078-98 Agriculture on H.R. No. 57

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to develop a plan for, and to estimate the cost of, transferring forestry program to the Department of Agriculture (DOA).

The Hawaii Farm Bureau testified in support of this resolution. DOA submitted testimony indicating that it defers to the Board of Land and Natural Resources. DLNR testified in opposition to this resolution.

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

- (1) Requesting the Legislative Reference Bureau (LRB) to study the feasibility of transferring the forestry programs of DLNR to DOA, rather than requesting DLNR to develop a plan for, and to estimate the cost of, transferring forestry programs to DOA;
- (2) Specifying that the feasibility study include the cost of transferring the forestry programs of DLNR to DOA;
- (3) Requesting LRB to submit a report of its findings and recommendations to the Legislature prior to the 1999 Regular Session, rather than requesting DLNR to submit a plan to the Legislature prior to the 1999 Regular Session;
- (4) Requesting that a certified copy of this resolution be transmitted to the Director of LRB and the Chairperson of the Board of Agriculture and deleting that a copy be transmitted to the Governor;
- (5) Changing the title of the resolution to read: "REQUESTING A FEASIBILITY STUDY ON TRANSFERRING THE FORESTRY PROGRAMS OF THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO THE DEPARTMENT OF AGRICULTURE"; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 57, as amended herein, and recommends that it be referred to the Committee on Water and Land Use in the form attached hereto as H.R. No. 57, H.D. 1.

Signed by all members of the Committee except Representatives Takai, White and Halford.

SCRep. 1079-98 Agriculture on H.C.R. No. 160

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

- (1) Reassess the designation of "important agricultural lands to the State of Hawaii" in the Kona agricultural district; and
- (2) Determine which lands should be included in that designation.

DOA, OP, the Kona Coffee Council, the Kona Farmers Alliance, Plan to Protect, and three individuals submitted testimony in support of this measure. The Hawaii Farm Bureau submitted testimony in support of the intent of this measure.

Your Committee finds that one of the State's key crops, Kona coffee, is grown in soils that are largely uncultivable for non-orchard crops but the combination of favorable temperature, water drainage, elevation, and moisture supply make the area where Kona coffee is grown a key factor in its production. By definition, Kona coffee has been identified as a "unique agricultural land" crop. Your Committee further finds that the present Agricultural Lands of Importance to the State of Hawaii (ALISH) system rates agricultural lands primarily on the basis of soils. However, the ALISH maps of the Kona area do not match the definition of "unique agricultural land." Furthermore, the ALISH maps, which were drawn in 1976, show less than one-half of the 2,400 acres which were then-planted in Kona coffee as having a "unique"

designation. Today, there are 2,100 acres planted in Kona coffee, yet the "unique" designated area has not changed. This concurrent resolution would request a reassessment of the designation of "important agricultural lands" to the State in the Kona agricultural district and determine which lands should be included in the designation.

Your Committee has amended this concurrent resolution by:

- (1) Changing the title of the concurrent resolution to accurately reflect its substance and to read: "REQUESTING THE DEPARTMENT OF AGRICULTURE AND THE OFFICE OF PLANNING TO REASSESS KONA AGRICULTURAL LANDS AS TO WHICH SHOULD BE RECLASSIFIED AS IMPORTANT AGRICULTURAL LANDS TO THE STATE OF HAWAII"; and
- (2) Making a technical, nonsubstantive amendment for clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 160, as amended herein, and recommends that it be referred to the Committee on Water and Land Use in the form attached hereto as H.C.R. No. 160, H.D. 1.

Signed by all members of the Committee except Representatives Takai, White and Halford.

SCRep. 1080-98 Agriculture on H.C.R. No. 114

The purpose of this concurrent resolution is to request the Sea Grant College Program of the University of Hawaii to proceed with its offshore aquaculture demonstration experiments at sites that it deems appropriate.

The Sea Grant College Program of the University of Hawaii and the Hawaii Aquaculture Association submitted testimony in support of this concurrent resolution. The Department of Land and Natural Resources (DLNR) submitted testimony in support of the intent of this measure.

Your Committee recognizes that open ocean aquaculture holds great benefit for the State, both in terms of applied research and commercial development potential. Besides the economic benefits of supporting such aquaculture ventures, the development of mass culture hatchery technologies through open ocean aquaculture would also contribute to restoring depleted ocean species.

Your Committee has amended this concurrent resolution by:

- (1) Authorizing the Board of Land and Natural Resources to issue a lease or permit to the Sea Grant College Program of the University of Hawaii for submerged lands for an offshore aquaculture demonstration experiment pursuant to section 171-53, Hawaii Revised Statutes;
- (2) Deleting the provision that authorizes DLNR to grant a permit for aquaculture demonstration experiments to the Sea Grant College Program of the University of Hawaii; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 114, as amended herein, and recommends that it be referred to the Committee on Ocean Recreation and Marine Resources, in the form attached hereto as H.C.R. No. 114, H.D. 1.

Signed by all members of the Committee except Representatives Takai, White and Halford.

SCRep. 1081-98 Agriculture on H.C.R. No. 166

The purpose of this concurrent resolution is to request the Department of Agriculture (DOA) to examine the feasibility of transferring the Animal Quarantine Station to either the Department of Health or to a nonprofit entity.

The Hawaii Farm Bureau testified in support of this measure. DOA submitted testimony in support of this concurrent resolution, provided there is complete and stringent oversight of the Animal Quarantine Program by state medical and veterinary officials.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 166 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, White and Halford.
(Representative Chang voted no.)

SCRep. 1082-98 Tourism on H.C.R. No. 129

The purpose of this resolution is to request the Office of Tourism of the Department of Business, Economic Development, and Tourism to provide additional support and promotion for culture and the arts in their marketing and development of tourism in Hawaii.

Your Committee received testimony as follows:

1. University of Hawaii School of Travel Industry Management, Hawaii Visitors and Convention Bureau, Aloha Festivals, Waikiki Contemporary Art Gallery, Hawaii Museums Association, Hawaii Consortium for the Arts, in support; and
2. Department of Business, Economic Development, and Tourism, offering comment.

Your Committee finds that Hawaii's unique culture gives it special advantage over other beach destinations. Tourists who visit museums tend to have other attributes, such as advanced education, professional employment, longer stays and higher spending profiles. Continued support for cultural tourism from the Office of Tourism will help Hawaii expand its presence in this vital niche of the tourism market.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 129, H.D. 1 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

SCRep. 1083-98 Tourism on H.C.R. No. 213

The purpose of this resolution is to request the University of Hawaii School of Travel Industry Management to study the feasibility of converting the former Sheraton Makaha Inn to an educational-training-conference facility.

Your Committee received testimony from the Department of Business, Economic Development and Tourism, and the University of Hawaii School of Travel Industry Management offering comment on this resolution.

Your Committee finds that the visitor industry remains the best hope for stimulating Hawaii's moribund economy and the now-idle Sheraton Makaha Inn offers an excellent opportunity for use as an educational-training-conference facility by the internationally recognized Travel Industry Management School at the University of Hawaii, thus improving the labor and management force of Hawaii's most important industry and providing some economic stimulus to an area in great need of assistance.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 213 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Ito.

SCRep. 1084-98 Tourism on H.C.R. No. 220

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to coordinate with the Hawaii Visitors and Convention Bureau, the Quarterback Club of Washington, D.C., and other organizations to host the next Quarterback Awards Dinner in Hawaii during the Pro Bowl week.

Your Committee received testimony as follows:

1. Department of Business, Economic Development, and Tourism, Hawaii Visitors and Convention Bureau, Athletic Directors and Coaches Association of Hawaii, Hawaii Winter Baseball, Windjammer Cruises, Asian Pacific Development Corporation, two concerned citizens, in support; and
2. Department of Education, offering comment.

Your Committee finds that both Hawaii and the NFL Pro Bowl have prospered from their long association. The Pro Bowl has become one of the largest high-profile sporting events in Hawaii, resulting in enormous amounts of publicity across the country during one of the coldest times of the year, bringing in large numbers of visitors to attend the game, and generating a myriad of associated activities across the state. By including the Quarterback Awards Dinner with the other events, Hawaii will increase its national visibility during that week, thereby generating greater desire for travel and expanding Hawaii's role as a sports center.

Your Committee revised this resolution by:

1. Amending references in the title and body to the Quarterback Club to the National Quarterback Club, where applicable;
2. Adding the Hawaii Winter League Baseball Association to the organizations working with the department and receiving certified copies; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 220, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 220, H.D. 1.

Signed by all members of the Committee except Representative Ito.

SCRep. 1085-98 Tourism on H.C.R. No. 73

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to establish a Tourism Forecasting Council to develop forecasts of visitor arrivals to Hawaii on a regular basis.

Your Committee received testimony offering comment on this resolution from the Department of Business, Economic Development, and Tourism, and the University of Hawaii School of Travel Industry Management.

Your Committee finds that tourism forecasts are necessary for planning the development of the tourism industry, the single largest source of private sector economic activity in Hawaii. These forecasts will improve the effectiveness of planning for infrastructure, human resource needs, land use, and zoning, as well as assist in other tourism-related efforts, such as in developing marketing strategies, identifying shifts in visitor trends and adjusting marketing campaigns.

Your Committee revised this resolution by:

1. Amending the title and body to remove all references to a council and replace it with a Tourism Forecasting Panel;
2. Removing references to the "M-K Series Projections," which were replaced in 1996 by a new projection series;
3. Removing references to the use of medium- and short-term projections for planning marketing strategies and other uses; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 73, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 73, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Jones, Morita and White.

SCRep. 1086-98 Tourism on H.C.R. No. 172

The purpose of this resolution is to urge the formation of a Joint Waikiki Task Force by the State of Hawaii and the City and County of Honolulu for discussion and coordination of the numerous issues involving Waikiki and the surrounding areas.

Your Committee received testimony as follows:

1. Department of Transportation, Office of Planning of the Department of Business, Economic Development, and Tourism, Mayor of the City and County of Honolulu, Chamber of Commerce of Hawaii, in support; and
2. Board of Land and Natural Resources, offering comment.

Your Committee finds that tourism remains Hawaii's primary industry and that Waikiki is the single most important visitor destination in the state. The signs of wear and age in facilities and infrastructure in the Waikiki area indicate the tremendous need for improvements and jeopardizes the economic future of the whole state. The Economic Revitalization Task Force identified this as a major issue and recommended the formation of a joint City-State Task Force to address the problem.

Several organizations and agencies already exist to address some aspect of the Waikiki issue, but a single body should coordinate and consolidate all efforts.

Your Committee revised this resolution by:

1. Requesting the Task Force to develop a master plan incorporating tourism-related infrastructure construction, beautification projects and capital improvement project priorities and considering the relationship of Waikiki to the surrounding areas;
2. Substituting Administrative Director for comptroller in the Task Force membership;
3. Adding to the task force three non-government members to be selected by the Governor and three non-government members to be selected by the Mayor of the City and County of Honolulu;
4. Changing the title to "HOUSE CONCURRENT RESOLUTION URGING THE STATE OF HAWAII AND CITY AND COUNTY OF HONOLULU TO WORK TOGETHER TO ESTABLISH A JOINT WAIKIKI TASK FORCE TO EXPLORE THE REVITALIZATION AND RENOVATION OF WAIKIKI AND SURROUNDING AREAS INCLUDING THE HAWAII CONVENTION CENTER"; and
5. Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 172, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 172, H.D. 1.

Signed by all members of the Committee except Representative Ito.
(Representative Aiona voted no.)

SCRep. 1087-98 Tourism on H.C.R. No. 206

The purpose of this resolution is to request the Hawaii Visitors and Convention Bureau to allocate funds to the Visitor Aloha Society of Hawaii.

Your Committee received testimony as follows:

1. Office of the Mayor of the County of Kauai, City and County of Honolulu Department of the Prosecuting Attorney, Visitor Aloha Society of Hawaii, Rotary Club of Honolulu, Trade West Inc., Retail Merchants of Hawaii, Hawaii Visitor Industry Security Association, Government Efficiency Teams, Legends in Concert, Outrigger East, Sheraton Waikiki, one concerned citizen, in support; and
2. Department of Business, Economic Development, and Tourism, Hawaii Visitors and Convention Bureau, offering comment.

Your Committee finds that the Visitor Aloha Society of Hawaii performs an important function for the visitor industry in Hawaii by providing assistance to visitors who become victims of crime or other misfortune while staying in Hawaii, in a manner similar to the international Travelers Aid Society. Through the use of unpaid volunteers and donated goods and services from the travel industry, and with the support of the Honolulu Police Department, the Visitor Aloha Society of Hawaii managed to provide assistance to about one-fourth of the victims of crimes against visitors on Oahu, reversing much of their negative impression of Hawaii and helping to minimize the impact of crime on Hawaii's vital visitor industry.

Your Committee finds that the function of the VASH is not directly related to the mission of the Hawaii Visitors and Convention Bureau, and that the Department of Business, Economic Development and Tourism and the HVCB should explore other methods of assisting the Visitors Aloha Society, such as by providing administrative support or organizing fund-raising events and campaigns.

Your Committee revised this resolution by:

1. Removing references to the allocation of funds to the Visitor Aloha Society of Hawaii by the Hawaii Visitors and Convention Bureau from the title and body;
2. Requesting the Department of Business, Economic Development and Tourism to provide non-financial assistance to the Visitor Aloha Society;
3. Adding the Director of Business, Economic Development and Tourism and the President of the Visitor Aloha Society of Hawaii to those receiving certified copies; and
4. Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 206, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 206, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Jones and White.

SCRep. 1088-98 Tourism on H.C.R. No. 216

The purpose of this resolution is to request development by the State, City and County of Honolulu and the private sector of a master plan incorporating tourism-related infrastructure construction and other projects, to avoid duplication and provide cohesiveness.

Your Committee received testimony as follows:

1. Hilton Hawaiian Village, Castle Group, Chamber of Commerce of Hawaii, Na Leo Pohai, in support; and
2. Department of Business, Economic Development, and Tourism, offering comment.

Your Committee finds that overall tourism infrastructure planning is addressed in another resolution, and that a great need exists for a policy to allow welcome banners at the convention and an advisory body to handle applications for permission to display such banners. The convention center plays a key role in the State's plans for stimulating economic activity and every effort should be made to maximize its ability to fulfill its mission of generating revenue from out of the State by providing hospitable surroundings for large meetings, conventions and tradeshows.

Your Committee revised this resolution by removing its contents and adding the following provisions:

1. Urging the State of Hawaii and the City and County of Honolulu to grant authorization to allow a display of attractive banners to welcome groups;
2. Request the City and County of Honolulu to allow event organizers to request permission to display banners from the eight public lampposts on the streets directly in front of the main entrance of the Hawaii Convention Center;
3. Request the Convention Center Authority to establish a five-member Banner Welcome Program Advisory Board;
4. Amending the purpose paragraphs and title to reflect the new content; and

5. Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 216, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 216, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Jones and White.

SCRep. 1089-98 Health on H.C.R. No. 64

This resolution calls for the incorporation of assistive technology considerations and language in all appropriate administrative measure relating to persons with disabilities.

Your Committee heard testimony from the State Planning Council on Developmental Disabilities and the Molokai Occupational Center in support of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 64 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1090-98 Health on H.C.R. No. 133

This bill would require the Health Department to provide administrative support for the activities of a temporary, voluntary Athletic Trainers Commission. This Commission would examine the advantages and disadvantages of 1) separately regulating athletic trainers, and 2) allowing certified athletic trainers to act as third-party billers for the provision of services.

Your Committee finds it is in the public interest to address these issues. The Health Department testified against this measure, stating that such a Commission would adversely impact their agency's limited resources.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 133 and recommends that it be referred to the Committee on Labor and Public Employment.

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

SCRep. 1091-98 Health on H.C.R. No. 147

To insure that the public receives adequate medical treatment, your Committee believes it is in their best interest to strengthen the Hawaii Health Systems Corporation's (HHSC) negotiating position with health insurance companies regarding reimbursement.

Your Committee heard testimony from the HHSC and a concerned private individual in support of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 147 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1092-98 Health on H.C.R. No. 155

This resolution establishes a Department of Health (DOH) Task Force to assess the needs of families who provide home care to offspring with developmental disabilities

Your Committee heard strong testimony in support of this measure from the DOH and the State Planning Council on Developmental Disabilities. The DOH further stated that this was one of their most important issues being brought before the Legislature.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 155 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1093-98 Culture and the Arts on H.C.R. No. 17

The purpose of this concurrent resolution is to request that the Governor establish the Wahiawa Centennial Celebration Commission by executive order.

The Wahiawa Community and Business Association testified in support of this concurrent resolution, citing the significant role the community has had in the last 100 years and the importance of recognizing the centennial anniversary of Wahiawa.

Your Committee finds that to protect the Commission and the centennial celebration from civil liability, the Wahiawa Centennial Celebration Commission must be established by a Governor's executive order.

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

Signed by all members of the Committee except Representative Takamine.

SCRep. 1094-98 Culture and the Arts on H.C.R. No. 131

The purpose of this concurrent resolution is to request the State Foundation on Culture and the Arts to prepare a plan to generate revenues for the Foundation to supplement its budget.

Testimony in support of this concurrent resolution was submitted by the State Foundation on Culture and the Arts and two individuals supporting the intent of the measure.

Your Committee recognizes the important role that the State Foundation on Culture and the Arts has within the arts community and in perpetuating the unique culture and arts of Hawaii.

Your Committee further recognizes the critical importance of culture and the arts to the visitor experience in Hawaii. Unique in all the world, Hawaii's culture and the arts need to be showcased for all to learn from, experience, and enjoy.

In these times of severe fiscal constraints, where the State Foundation on Culture and the Arts has sustained massive budget cutbacks, which have resulted in much hardship for many long standing culture and arts programs, it is important to explore new sources of funding and or means of generating revenue.

The measure has been amended by:

- (1) Adding the assertion of the significance of the State Foundation on Culture and the Arts and its many programs and the vital role culture and the arts has upon the visitor industry.
- (2) Adding, the State Foundation on Culture and the Arts to explore the feasibility of entering into a public-private partnership in constructing and managing a performing arts theatre.
- (3) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 131, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 131, H.D. 1.

Signed by all members of the Committee except Representative Takamine.

SCRep. 1095-98 Hawaiian Affairs on H.C.R. No. 156

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to identify, compile, evaluate, and summarize available demographic data on native Hawaiians.

The Department of Hawaiian Home Lands testified in support of this measure. Robert C. Schmitt, retired State statistician, responded to Committee questions and concerns.

Decisions relating to the funding and implementation of programs that benefit native Hawaiians rely heavily on current and projected demographic data. Although some demographic data does exist, such data appears to be incomplete and outdated and does not include reliable future projections. Your Committee finds that this measure will provide for the compilation of the more accurate demographic data which will be required in the near future for informed decisions relating to native Hawaiians.

Your Committee expresses its appreciation to Mr. Schmitt who brought to this Committee's attention his recently-published article: "How many Hawaiians live in Hawai'i?". That article summarizes some of the available demographic data, noting in particular that U.S. Census data is probably unreliable and inaccurate with respect to current and future numbers of native Hawaiians. Your Committee references LRB to Mr. Schmitt's works in any undertaking pursuant to this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 156 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Kawanakoa.

SCRep. 1096-98 Human Services and Housing and Health on H.C.R. No. 121

The purpose of this concurrent resolution is to urge the Children's Health Insurance Program (CHIP) Planning Committee to develop universal health coverage for all of Hawaii's children and submit a plan to the Legislature.

The Department of Human Services and the Department of Health submitted testimony in support of the intent of this measure.

Your Committees firmly believe that developing universal health coverage for children is a priority and that every concerted effort should be made to ensure that this becomes a reality. Your Committees find that this measure should be used as a stepping stone to realizing a broader vision for children's health care.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 121 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Lee, Stegmaier and Ward.

SCRep. 1097-98 Human Services and Housing on H.C.R. No. 141

The purpose of this resolution is to urge the United States Congress to restore food stamp benefits to legal, noncitizen immigrants who have been denied participation in the federal Food Stamp Program due to the Public Law 104-193, Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).

The Department of Human Services and Na Loio No Na Kanaka submitted testimony in support of this measure.

Your Committee finds that the congressional elimination of food stamps for legal immigrants has had a devastating impact on immigrants in Hawaii, as well as across the nation. Your Committee further finds that the most vulnerable of this group - children, the elderly and the disabled are affected the most, and your Committee feels that this resolution is necessary to help restore these benefits to legal immigrants who have been denied due to Public Law 104-193, PRWORA.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 141 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Lee.

SCRep. 1098-98 Human Services and Housing on H.C.R. No. 124

The purpose of this concurrent resolution, as received by your Committee, is to request the Office of Youth Services (OYS) and other public and private agencies providing services to adolescents to work toward a solution to the problem of teenage victims of domestic violence.

The Department of Human Services (DHS), OYS, and the Department of Education submitted testimony in support of the intent of this measure. The Hawaii State Coalition Against Domestic Violence (Coalition), the YWCA of Oahu Women's Resource Center, the Honolulu County Committee on the Status of Women, Child and Family Service, Women Helping Women, and the Domestic Violence Clearinghouse and Legal Hotline opposed this measure.

Your Committee finds that this concurrent resolution is unnecessary and duplicative of collaborative efforts already in place. There is in existence the Special Committee on Youth Violence (Special Committee), co-chaired by the Coalition and the Hawaii Youth Services Network, to resolve issues regarding sheltering and providing other services to minor victims of domestic violence. Furthermore, many of the organizations or agencies listed in this concurrent resolution have members already serving on the Special Committee.

Instead of holding this measure, your Committee has amended this concurrent resolution to address major concerns raised by providers and consumers of Hawaii QUEST plans, namely AlohaCare. Concerns have been raised by health care providers as to AlohaCare's reimbursement practices. The standard of reimbursement on QUEST claims to providers is sixty days, but AlohaCare has gone beyond this standard and can take one-hundred twenty days or more for payment on a regular claim. Providers hesitate to provide health care to AlohaCare enrollees when the time between visits and reimbursement is so lengthy.

Furthermore, your Committee has received information that AlohaCare may be in violation of its Request For Proposal contract, specifically to provide medically necessary mental health, drug abuse, and alcohol abuse services required by adult QUEST members.

As a result of these and other concerns, access to services are being denied for those most in need, especially to persons on the neighbor islands whose access to QUEST health plans is already severely limited. Thus, your Committee has amended this measure by:

- (1) Deleting its substance and inserting language requesting the Legislative Auditor to conduct a financial audit of AlohaCare; and
- (2) Changing the title to read: "REQUESTING A FINANCIAL AUDIT OF ALOHACARE".

Your Committee understands that DHS, AlohaCare, health care providers, and other health care organizations have met to discuss the above-mentioned concerns and that efforts are currently underway to resolve some of these issues. Recognizing that deliberations are taking place and that these concerns have been determined to be valid, your Committee

believes that this measure, as amended, would promote further discussion and information gathering, and determine whether such an audit is warranted.

Your Committee respectfully requests that subsequent committees respond to these concerns and determine to what extent these concerns have been adequately addressed. Furthermore, your Committee requests that DHS and other organizations provide objective data for further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 124, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce, in the form attached hereto as H.C.R. No. 124, H.D. 1.

Signed by all members of the Committee except Representative Lee.

SCRep. 1099-98 Ocean Recreation and Marine Resources on H.C.R. No. 152

The purpose of this concurrent resolution is to create a task force to review privately owned thrill craft safety and the feasibility of registering and certifying private operators.

The Kaneohe Bay Regional Council and an individual testified in support of this measure. BOATS/HAWAII, Inc. also supported the intent of this measure and proposed amendments. The Department of Land and Natural Resources (DLNR) opposed this measure, and the Windward Watersports Center offered comments.

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

- (1) Clarifying that many private thrill craft operator groups and associations have already recommended educational and regulatory requirements;
- (2) Requesting the Chairperson of DLNR to appoint a seven-member Thrill Craft Advisory Committee (Committee) rather than requesting the Governor to appoint a nine-member task force;
- (3) Specifying that the Committee should evaluate and recommend necessary educational and training requirements for personal water craft operators as well as proposed rules for and areas of thrill craft operations;
- (4) Changing the title to read: "REQUESTING THE APPOINTMENT OF A THRILL CRAFT ADVISORY COMMITTEE TO REVIEW PRIVATELY-OWNED THRILL CRAFT SAFETY AND THE FEASIBILITY OF REGISTRATION AND CERTIFICATION OF PRIVATE THRILL CRAFT OPERATORS;" and
- (5) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 152, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 152, H.D. 1.

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

SCRep. 1100-98 Tourism on H.C.R. No. 106

The purpose of this resolution is to support the Aloha Every Day concept, which supports the Hawaiian culture through language, music, aloha apparel and values in accordance with the Aloha spirit.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development, and Tourism, Office of Hawaiian Affairs and the Hawaii Visitors and Convention Bureau.

Your Committee finds that the Aloha Every Day concept is consistent with State law recognizing the Aloha Spirit and designating Hawaii as the Aloha State, as well as other past legislation.

The Aloha spirit is an intangible quality that distinguishes Hawaii from the rest of the world. The hospitality of the people, embodying the Aloha spirit, is one of the key factors that draw millions of visitors to Hawaii. Efforts to promote and strengthen the Aloha spirit will help the visitor industry and improve the quality of life for everyone.

Your Committee revised this resolution by:

1. Reducing the number of parties receiving certified copies; and
2. Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 106 as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 106, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Jones and White.

SCRep. 1101-98 Tourism on H.C.R. No. 162

The purpose of this resolution is to encourage the Aloha Racing Foundation and its partners in their endeavor to bring the America's Cup home to the United States and to establish Hawaii as a location for yacht racing.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development, and Tourism, Kolius Sailing Consultants, Alabama Sports Medicine, Andrews-Healthsouth Racing, Aloha Racing Foundation, Waikiki Yacht Club, Hawaii Thermal Inc., Boat Owners Association of the State of Hawaii, one concerned citizen, and one former Senator.

Your Committee finds that the America's Cup is the oldest trophy in the history of United States sports, dating back to 1851, and remained in the possession of defenders from the United States until a highly publicized victory by "Australia II" over the U.S. yacht "Liberty" in 1983. Since that dramatic event, the America's Cup yacht race has drawn widespread media coverage and led to numerous unsuccessful attempts to bring the event to Hawaii, renowned as one of the best sailing locations in the world.

For the next challenge, America's Cup XXX in Auckland, New Zealand, with qualifying races in the fall of 1999 and finals in February 2000, the Aloha Racing Foundation has been established, with an experienced skipper and design team, and major corporate sponsors. An America's Cup syndicate, such as the Aloha Racing Foundation, with a highly regarded yacht and crew located in Hawaii and training in Hawaiian waters, will certainly draw considerable publicity for the State of Hawaii.

Furthermore, if the Aloha Racing Challenge should prove successful, Honolulu will host the following America's Cup XXXI in 2003. Your Committee finds that support for the Aloha Racing Foundation will promote Hawaii as a visitor destination and as a venue for sports events.

Your Committee revised this resolution by:

1. Providing for stronger statements of support for the effort by the Aloha Racing Foundation, its sponsors and the Waikiki Yacht Club, and for transmission of certified copies; and
2. Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 162, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 162, H.D. 1.

Signed by all members of the Committee except Representative Ito.

SCRep. 1102-98 Culture and the Arts on H.C.R. No. 102

The purpose of this concurrent resolution is to urge the City and County of Honolulu to resolve the problems with the Honolulu Symphony and work towards an amicable settlement of booking dates.

Testimony in support of this concurrent resolution was submitted by the Honolulu Symphony, Musicians' Association of Hawaii, Honolulu Symphony Orchestra Committee, State Foundation on Culture and the Arts, and one individual.

Your Committee recognizes the significant role that the Honolulu Symphony has in the culture and arts communities. It not only provides entertainment to the residents of Hawaii but to visitors alike. The Symphony employs over 80 musicians and it also provides Hawaii school children with educational concerts.

Your Committee further recognizes that the Honolulu Symphony will be celebrating its centennial celebration in the 1999-2000 season with increased ticket sales and higher attendance and it is imperative that the scheduling conflict be resolved due to advanced bookings with highly touted musicians.

The measure has been amended by:

- (1) Adding descriptive information about the Honolulu Symphony providing educational concerts for tens of thousands of Hawaii school children and also the bulk of its symphonic and pops repertoire.
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 102, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 102, H.D. 1.

Signed by all members of the Committee except Representative Takamine.

SCRep. 1103-98 Human Services and Housing on H.C.R. No. 38

The purpose of this resolution is to request that public and private agencies serving children and families adopt a state policy for improving the well-being of children, youth, and families.

The Office of the Governor, Hawaii Kids Count, the University of Hawaii College of Tropical Agriculture and Human Resources, the University of Hawaii Center on the Family and the Democratic Party of Hawaii submitted testimony in support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure.

Your Committee finds that this resolution recognizes that families are critical to the development of children, the well-being of individuals, and the overall strength of our society. Your Committee further finds and agrees that this resolution builds on the good work undertaken by the named agencies to integrate their initiatives into a common statewide focus, and has amended this bill by making only technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 38, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 38, H.D. 1.

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

SCRep. 1104-98 Education on H.C.R. No. 170

The purpose of this concurrent resolution is to request the Superintendent of Education to formulate alternatives to criminal history record checks to screen volunteers who work directly with children in school activities.

Supporting the overall intent of the measure, the Department of Education (DOE) testified in opposition to it because it does not have the resources to conduct criminal history or other background screening for each volunteer. However, in oral testimony DOE testified that volunteers are currently informally screened.

Your Committee believes that DOE can develop a more structured method of screening its volunteers that is more effective than the current informal screening because several ideas were suggested in the discussion of the measure. One idea was that each school check its volunteer list against a list of convicted pedophiles. Another idea was that each volunteer sign a form attesting that the volunteer does not have a criminal record.

The concurrent resolution has been amended by:

- (1) Asserting that it may be possible to develop a relatively effective, rather than an effective, alternative to criminal history record checks; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 170, as amended herein, and recommends that it be referred to the Committee on Labor and Public Employment in the form attached hereto as H.C.R. No. 170, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takai and Halford.

SCRep. 1105-98 Water and Land Use on H.C.R. No. 164

The purpose of this resolution is to encourage the Department of Land and Natural Resources (Department) to consider ways of establishing an alternative hunting license category for foreign hunters.

The Board of Land and Natural Resources submitted testimony in support of the intent of this resolution. An individual submitted testimony in strong support of this measure citing the potential economic benefits to the Department and the State. The Hawaii Hunting Association provided comments regarding the need to address game management policy.

Upon due consideration, your Committee supports the intent of this resolution. Furthermore, your Committee has clarified the measure to request that the Department consider a specific alternative to the current requirements of a hunter education certificate in order to obtain a Hawaii hunting license.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 164, as amended herein, and recommends that it be referred to the Committee on Tourism, in the form attached hereto as H.C.R. No. 164, H.D. 1.

Signed by all members of the Committee except Representative Yoshinaga.

SCRep. 1106-98 Human Services and Housing and Health on H.C.R. No. 139

The purpose of this concurrent resolution is to request the Governor to convene a state conference on the future role of the residential care home industry in Hawaii.

The American Association of Retired Persons submitted testimony in strong support of this measure. The Department of Health submitted written comments.

Your Committees find that convening a State conference on the future role of the residential care home industry in Hawaii is necessary, as this State is about to face a huge growth in the elderly population. Your Committees further find that action must be taken now, to avoid a severe crisis with respect to long term care. This statewide conference will address the many challenges ahead in providing long term care services, and will help to strategize the roles for the residential care home industry.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 139 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Lee, Stegmaier and Ward.

SCRep. 1107-98 Human Services and Housing and Health on H.C.R. No. 119

The purpose of this concurrent resolution is to request the Insurance Commissioner to convene a task force to conduct a study and prepare a report containing its findings and recommendations on a viable alternative to the QUEST program which will provide comprehensive coverage for a wider population than currently enrolled in QUEST.

The Hawaii State Primary Care Association, Kokua Kalihi Valley (Comprehensive Family Services), and two individuals submitted testimony in support of this measure. The Department of Human Services, the Department of Commerce and Consumer Affairs, and the Hawaii Medical Service Association submitted testimony in support of the intent of this measure.

Your Committee finds that, due to the growing population of uninsured residents and the expiration of the QUEST program in 1999, convening a task force is necessary to explore alternative health care options and making it available to a wider population, without an increase in State expenditures.

Your Committee further finds that a wider range of knowledge and expertise will be needed to insure proper representation for all interested parties to work together to develop a program, and therefore, has amended this measure by expanding the task force to include a representative from one of the health plans under QUEST, and a representative from the Chamber of Commerce of Hawaii.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 119, as amended herein, and recommend that it be referred to the Committee on Consumer Protection and Commerce, in the form attached hereto as H.C.R. No. 119, H.D. 1.

Signed by all members of the Committees except Representatives Lee, Stegmaier and Ward.

SCRep. 1108-98 Consumer Protection and Commerce on H.C.R. No. 56

The purpose of this concurrent resolution is to request that the Legislative Auditor (Auditor) conduct a study that follows up its 1988 report assessing the social and financial impact of mandatory coverage for chiropractic services under health insurance plans.

Specifically, this concurrent resolution requests the Auditor to include in the study the following:

- (1) A determination of the viability of including chiropractic coverage under the following types of insurance policies in the State:
 - (a) Health insurance;
 - (b) Sickness insurance;
 - (c) Accident insurance; and
 - (d) Disability insurance; and
- (2) The social and financial needs, costs, and effects of insurance coverage for chiropractic services.

Testimony in support of the concurrent resolution was submitted by the Hawaii Medical Services Association and the Hawaii State Chiropractic Association. A medical professional submitted comments.

In the ten years since the Auditor submitted to the Governor and the Legislature its report entitled "Study of Proposed Mandatory Health Insurance for Chiropractic Services", the social and economic climate of this State has undergone many changes. Therefore, it is appropriate that a current assessment of the needs, costs, and effects of mandatory chiropractic coverage be made in order for the Legislature to conduct a more thoughtful and informed study of future measures on this issue.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 56, H.D. 1, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Cachola, Tom, Yoshinaga and Whalen.

SCRep. 1109-98 Consumer Protection and Commerce on H.C.R. No. 57

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct a follow-up study of its 1989 report entitled, "Study of Proposed Mandatory Health Insurance for Naturopathic Care".

The Hawaii Society of Naturopathic Physicians and several individuals testified in support of this measure. The Hawaii Medical Service Association, the Naturopathic Physicians Licensing Examinations, and an individual commented on this measure.

Your Committee finds that an update of the 1989 Legislative Auditor's report will provide the Legislature with current information when making policy decisions with regard to health insurance coverage for naturopathic care.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 57, H.D. 1, and recommends that it be referred to the Committee on Legislative Management.

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

SCRep. 1110-98 Consumer Protection and Commerce on H.C.R. No. 68

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct a sunrise study on the regulation of professional certified midwives.

Specifically, this concurrent resolution requests the Auditor to include in its study an:

- (1) Analysis, in accordance with section 26H-6, Hawaii Revised Statutes (HRS), of the probable effects of the proposed regulation of professional certified midwives contained in H.B. No. 3123 (1998), and an assessment of whether the bill's enactment is consistent with state policy as provided in section 26H-2, HRS; and
- (2) Assessment of alternative forms of regulation, should the Legislature determine that professional certified midwives should be regulated, but not necessarily through the mechanism proposed in H.B. No. 3123 (1998), including recommendations on the:
 - (a) Form of regulation;
 - (b) Appropriate State agency to implement the regulation; and
 - (c) Cost impact of regulation on the regulating agency and the regulated profession.

Supportive testimony was received from the Department of Health and numerous individuals.

A midwife is a trained professional whose services include antepartum, intrapartum, and postpartum care for essentially healthy women, newborn assessment and care, and well-woman gynecological care for healthy women during the interconceptual period. There are three categories of midwives recognized in the United States, including Certified Professional Midwives (CPMs). CPMs are independent practitioners who have met the certification standard of the North American Registry of Midwives which requires successful completion of a written examination and skills assessment, and training in out-of-hospital settings.

There is a growing demand by pregnant women and their families for home delivery attended by a midwife. Testimony indicated that women who have experienced midwife-attended homebirths in other states or countries where the practice is permitted received high quality, cost-effective, safe, and supportive care before, during, and after childbirth. Before this option can be made available in this State, a study is necessary to examine the impact of CPMs and home deliveries on the health care system and quality of perinatal care in the State.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 68 and recommends that it be referred to the Committee on Legislative Management.

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

SCRep. 1111-98 Human Services and Housing on H.C.R. No. 122

The purpose of this concurrent resolution is to request the Office of Youth Services (OYS) to expand services to include the families of youth eligible for services at the youth service centers.

OYS and the Department of Education testified in support of this measure.

Since inception, OYS has had difficulties realizing its service mandates primarily due to fiscal constraints. Its intended services and programs remain nonetheless important and worthwhile. This measure encourages OYS to collaborate with other public departments and private entities to augment its budget and thus increase its services. Your Committee wishes to express continued support of OYS's achievements--both past and present.

Upon further consideration, your Committee has amended this measure by including private businesses, trusts, and foundations as additional collaborative entities.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 122, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 122, H.D. 1.

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

SCRep. 1112-98 Human Services and Housing on H.C.R. No. 225

The purpose of this concurrent resolution is to develop a solid infrastructure of long-term care (LTC) residential and community-based settings by requesting the Legislative Auditor to assess the financial and social impact when expanding the residential and community-based LTC setting option to nursing facility level elderly and disabled clients.

The American Association of Retired Persons, the Healthcare Association of Hawaii, the Hawaii Association for Home Care, and the Hawaii Long-Term Care Association submitted testimony in support of this measure. The State Planning Council on Developmental Disabilities submitted testimony in support of the intent of this measure. The Department of Human Services submitted comments.

As the continuum of LTC services are expanded in Hawaii, the need for a study would greatly enhance a strong infrastructure of a LTC delivery system. The information learned as a result of such a study would be valuable to the many organizations working toward finding solutions to financing LTC.

Your Committee has amended this measure by:

- (1) Requesting the Legislative Reference Bureau, instead of the Auditor, to conduct the study;
- (2) Changing the title to read: "REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO ASSESS THE FINANCIAL AND SOCIAL IMPACT WHEN EXPANDING THE RESIDENTIAL AND COMMUNITY-BASED LONG-TERM CARE SETTING OPTION TO NURSING FACILITY LEVEL ELDERLY AND DISABLED CLIENTS";
- (3) Requesting that the study:
 - (A) Propose a plan regarding optional strategies for organizing the various forms of residential care providers; and
 - (B) Recommend regulatory, funding, training, monitoring, case management, and respite care changes, to address Hawaii's need for a more rational, efficient, and quality driven system in preparation for managed long-term care;
- (4) Transmitting this concurrent resolution to the Director of LRB, the Executive Directors of the Executive Office on Aging and Areas Office of Aging, the Hawaii Nurses Association, the Healthcare Association of Hawaii, the Hawaii Long-Term Care Association, the Home Care Association, and the American Association of Retired Persons, Adult Residential Care Home operators; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 225, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 225, H.D. 1.

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

SCRep. 1113-98 Health on H.C.R. No. 125

The purpose of this concurrent resolution is to help contain future costs of mental health services by requesting the Family Health Services Division of the Department of Health (DOH) to provide early intervention services in compliance with the requirements of P.L. 102-119, Individuals With Disabilities Education Act, and the Felix v. Waihee consent decree.

DOH and the Hawaii Early Intervention Coordinating Council submitted testimony in support of this measure. An individual submitted comments on this measure.

Your Committee believes that early intervention is key to minimizing the magnitude of mental health problems in children into adulthood. Your Committee further believes that preventive health services and programs provide a critical component in the health care of children by helping to lessen the detrimental long-term effects of mental abuse on children and providing for their health care needs.

Your Committee has amended this concurrent resolution by:

- (1) Correcting the public law reference to the Individuals With Disabilities Education Act to P.L. 102-119; and
- (2) Making other technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 125, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 125, H.D. 1.

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

SCRep. 1114-98 Health on H.C.R. No. 159

The purpose of this concurrent resolution is to assist persons with disabilities and their caregivers by requesting the Department of Health (DOH) to study the establishment of rules and provisions for unisex toilet facilities in places of public accommodations.

One individual submitted testimony in support of this measure. DOH and the Commission on Persons with Disabilities commented on this measure.

Your Committee finds that provisions requiring unisex toilet facilities for individuals who require assistance from a person of the opposite sex already exist, but is not official until it is adopted locally. Unfortunately, the 1997 edition of the Uniform Building Code which requires the above-mentioned provision has not been adopted by the City and County (C&C) of Honolulu, although C&C had recently adopted the 1994 edition on August 14, 1997.

Your Committee believes that the study requested by this measure would better facilitate the adoption process if amended to assess the establishment, rules, and provisions which would require unisex toilet facilities in places of public accommodation. Hopefully, this study as amended would help provide valuable information to expedite the adoption process.

Your Committee has amended this measure by:

- (1) Requesting DOH to study the establishment, rules, and provisions which would require unisex toilet facilities in places of public accommodation;
- (2) Requesting that the study also include the requirement to provide unisex toilets for public access to person with disabilities who require assistance from a person of the opposite sex;
- (3) Deleting references that were inaccurate;
- (4) Specifying that larger shopping centers do not have proper or an adequate number of facilities for persons with disabilities; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 159, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 159, H.D. 1.

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

SCRep. 1115-98 Health on H.C.R. No. 244

The purpose of this concurrent resolution is to protect the public health of the State from hepatitis C by requesting the Department of Health to seek to identify the statewide prevalence of hepatitis C in various segments of the State's population.

Schering-Plough and one individual submitted testimony in support of this measure. DOH submitted testimony in support of this measure with reservations.

Your Committee finds that hepatitis C has been recently identified as one of the silent killers, and is worthy of the concern and efforts given to other diseases such as hepatitis B, hypertension, and diabetes. Health care providers and laboratories are now required to report each case of hepatitis C they encounter. Furthermore, your Committee has learned that DOH, with the assistance from a pharmaceutical manufacturer, has begun to work on a series of studies of the prevalence of hepatitis C among special groups such as immigrants, prison inmates, and sexually transmitted disease clinic patients.

Due to research currently being planned or conducted, your Committee has amended this measure to reduce duplication of efforts by:

- (1) Changing the scope to undertake studies of hepatitis C incidence and prevalence within selected populations in Hawaii;
- (2) Changing the title to read: "REQUESTING THE DEPARTMENT OF HEALTH TO UNDERTAKE STUDIES OF HEPATITIS C INCIDENCE AND PREVALENCE WITHIN SELECTED POPULATIONS IN HAWAII";
- (3) Requesting DOH to provide the Legislature with copies of its reports of findings and recommendations following the completion of its hepatitis C studies; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 244, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 244, H.D. 1.

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

SCRep. 1116-98 Ocean Recreation and Marine Resources and Water and Land Use on H.C.R. No. 103

The purpose of this concurrent resolution is to authorize the lease of fast and submerged lands at Hale O Lono Harbor on Molokai for a private company to redevelop, manage, and operate the facility for recreational purposes.

Testimony in support of this measure was received from the Department of Land and Natural Resources (DLNR), the Bank of Hawaii, Bankoh Na Wahine O Ke Kai, the Hawaiian Canoe Racing Association, Oahu Hawaiian Canoe Racing

Association, Kailua Canoe Club, the Molokai Ranch, the Molokai Board of Realtors, Inc., Paniolo Hale Condo Homeowner's Association, BOATS Hawaii, the Molokai Business Association, and several members of the general public.

The Office of Hawaiian Affairs (OHA), the Sierra Club, the Hawaii Boaters Political Action Association, and a member of the general public submitted testimony in opposition to the measure.

Your Committees understand that DLNR may have received the Hale O Lono Harbor property from HC&D without an official DLNR inspection to ensure the terms and conditions of the HC&D license agreement were met. For this reason, your Committees have requested that DLNR investigate and determine the contractual (license) requirements of HC&D to return the harbor facilities in good condition, and initiate a process to ensure these requirements are met.

With this understanding that this property is under State management, Molokai Ranch is willing to collaborate with the DLNR to provide and maintain temporary restrooms in the near future.

Because Hale O Lono Harbor is State property, DLNR must ensure that the following conditions are met in the planning, design, construction, and operation of the Harbor:

- (1) Community involvement in planning and designing the Harbor;
- (2) The provision of twenty percent of revenues from the Harbor to the Office of Hawaiian Affairs;
- (3) The provision of improvements for public benefit with reasonable lease-income potential for the developer;
- (4) A clear articulation of the public benefits to be achieved;
- (5) Public access to the ocean and shores by island residents, including the descendants of native Hawaiians;
- (6) Public facilities that meet the needs of the Molokai community at a reasonable cost;
- (7) The protection of rights, customarily and traditionally exercised for subsistence, cultural, and religious purposes;
- (8) Enhanced safety and accessibility as well as the availability of comfort stations;
- (9) The enhancement and preservation of major cultural resources on Molokai;
- (10) The establishment of a means by which future problems can be resolved; and
- (11) The management of increased use of the area to ensure sustainability of living resources and to minimize or prevent conflicts of use.

Technical, nonsubstantive amendments were also made to the measure.

As affirmed by the records of votes of the members of your Committees on Ocean Recreation and Marine Resources and Water and Land Use that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 103, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 103, H.D. 1.

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

SCRep. 1117-98 Water and Land Use on H.C.R. No. 136

The purpose of this resolution is to support the development of the Ka'apuni O'Hawai'i trail.

The Department of Research and Development of the County of Hawaii, Mayoral Advisory Committee on Bicycle and Pedestrian Safety of the County of Hawaii, Peoples Advocacy for Trails Hawaii, and Friends of the Park all submitted testimony in support of this measure. The Board of Land and Natural Resources also submitted testimony in support of this measure together with several additional comments.

Your Committee finds development of the Ka'apuni O'Hawai'i trail to be a potential economic, social, and environmental boon for the communities and visitors of the Island of Hawaii. Your Committee would like to encourage its continued development.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 136 and recommends its adoption.

Signed by all members of the Committee except Representative Morihara.

SCRep. 1118-98 Consumer Protection and Commerce on H.C.R. No. 34

The purpose of this concurrent resolution is to request the Federal Trade Commission (FTC) to re-evaluate the Agreement Containing Consent Order in the matter of Shell Oil Company and Texaco Inc. (File No. 971-0026) in terms of its impact on the Hawaii consumer. The consent decree mandates that either Shell or Texaco divest itself of both terminal and retail assets on the island of Oahu for sale to a buyer approved by the FTC and the State of Hawaii.

Supportive testimony was received from the Hawaii Bankers Association, the Hawaii Automotive Repair and Retail Gasoline Dealers Association, and numerous individuals. Testimony in opposition to the resolution was received from an individual. Comments on the resolution were submitted by the State Attorney General and several individuals.

Your Committee finds that while the intent of the divestiture required by the consent decree may be to increase competition at the refiner-supplier level of the gasoline market, serious concerns were raised that it may have the opposite effect at the retail level, hurting both independent small business persons, who own and operate service stations, and consumers.

Numerous independent service station dealers testified that their inability to retain the supplier of their choice and to offer their customers the brand product with which they have long been identified will result in the loss of loyal clientele and possibly the closing of their business. Additionally, the uncertainty caused by the divestiture of either oil company's assets has put many dealers in a holding pattern, causing them to institute hiring freezes, cease promotions, and postpone capital improvements. The closing of these independently-owned service stations will likely decrease competition at the retail level, thereby increasing gasoline prices for consumers.

Based on the concerns raised by the independent dealers, your Committee has amended this resolution by requesting that the FTC evaluate the impact of the agreement on independent retail operators, as well as on Hawaii consumers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 34, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 34, H.D. 2.

Signed by all members of the Committee except Representatives Tom, Aiona and Whalen.

SCRep. 1119-98 Hawaiian Affairs on H.C.R. No. 135

The purpose of this concurrent resolution is to request the Department of Hawaiian Home Lands (DHHL) to create and oversee a forum to discuss the merits and practicality of an elected Hawaiian Homes Commission (Commission).

The State Council of Hawaiian Homestead Associations (SCHHA), the Nanakuli Hawaiian Homestead Community Association, the Paukukalo Hawaiian Homestead Association, the Waiehu Kou Homestead Association, the Waiohuli Hawaiian Homesteader's, Inc., the Keokea Hawaiian Homes Farmers Association of Maui, and an individual testified in support of this measure. DHHL supported the intent of this measure but suggested that an independent entity, such as the Legislative Reference Bureau, provide a comprehensive review of all legal and administrative concerns that could arise from the proposed forum.

The Commission is the state entity primarily responsible for implementing the state's fiduciary duty under the Hawaiian Homes Commission Act (HHCA), 1920, on behalf of eligible native Hawaiians. Proposed legislation to convert the Commission from an appointed to elected body has thus far not succeeded, in part because of a lack of information on key points and consensus among interested parties.

Your Committee believes that the proposed forum is a necessary first step toward:

- (1) Improving the management and administration of the Hawaiian Home Lands program; and
- (2) Forwarding the native Hawaiian community's goal of increased self-determination and governance.

Your Committee further believes that DHHL is the appropriate body to facilitate this forum.

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

- (1) Clarifying that an evaluation of the merits of an elected Commission is needed in advance of likely reconsideration of proposed legislation;
- (2) Specifying that the forum should include organizations that represent persons with twenty-five percent or more, rather than less, Hawaiian blood quantum;
- (3) Relieving the Office of Hawaiian Affairs (OHA) from any formal participation in the forum (although your Committee views OHA's participation as helpful to the larger goals of this resolution); and
- (4) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 135, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 135, H.D. 1.

Signed by all members of the Committee except Representative Kawananakoa.

SCRep. 1120-98 Human Services and Housing on H.C.R. No. 52

This concurrent resolution requests that Child Protective Services and the Courts operate in an open, accessible, and communicative manner, to the extent possible, provided that the safety and best interests of the child are not endangered in the process.

The Department of Human Services (DHS) submitted testimony in support of the intent of this measure. The Judiciary submitted written comments.

Your Committee feels that every child is entitled to be safe from harm and deserves a system that is committed to protecting them in an open, accessible, and communicative manner in every instance possible, and your Committee finds that DHS and the Judiciary has given this commitment. Your Committee would like to explore the possibility of establishing an Office of the Child Advocate for the purpose of improving the overall treatment of children at all levels and has amended this measure by:

- (1) Requesting the Department of Human Services to conduct a feasibility study of establishing an Office of the Child Advocate for the purposes outlined in the measure;
- (2) Changing the title to read: "IMPROVING THE OVERALL TREATMENT OF CHILDREN AT ALL LEVELS"; and
- (3) Making technical and nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 52, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 52, H.D. 1.

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

SCRep. 1121-98 Human Services and Housing on H.C.R. No. 176

The purpose of this concurrent resolution is to assist victims of sexual assault to attain self-sufficiency by requesting the Department of Human Services (DHS) to collaborate with the Women's Coalition and sex assault service providers in developing rules changes to extend benefits provided for domestic violence victims to victims of sexual assault.

DHS submitted testimony in support of the intent of this measure. The Sex Abuse Treatment Center submitted comments.

Your Committee believes that sexual assault is a debilitating physical, mental, and emotional trauma that can impede a victim's ability to attain economic self-sufficiency.

Your Committee has learned that welfare reform regulations do not recognize victims of sexual assault, and to provide comparable benefits to this population, DHS would be required to use State funds.

With this information, your Committee has amended this measure by:

- (1) Stating that the Personal Responsibilities and Work Opportunities Reconciliation Act (PRWORA) of 1996 does not include sexual assault victims;
- (2) Requesting the Congress of the United States to include sexual assault victims under PRWORA;
- (3) Changing the title to read: "REQUESTING THE EXTENSION OF BENEFITS FOR DOMESTIC VIOLENCE VICTIMS TO VICTIMS OF SEXUAL ASSAULT";
- (4) Transmitting this concurrent resolution to the co-chairs, instead of the director, of the Women's Coalition and the members of Hawaii's Congressional Delegation; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 176, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 176, H.D. 1.

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

SCRep. 1122-98 Legislative Management on H.C.R. No. 118

The purpose of this concurrent resolution is to call a five-day recess to enable the Legislature to seek community input and generate a broad consensus on efforts to revitalize the State's economy.

The Office of Hawaiian Affairs, Hawaii Youth Services Network, Waikiki Health Center, Mental Health Association, Honolulu Community Action Program, Community Revitalization Coalition, and several individuals submitted testimony in support of this measure. The Sierra Club commented on this measure.

Your Committee recognizes that difficult choices need to be made to reduce government spending and strengthen the State's economy, while continuing to provide vital public services to the people of the State. At the same time, your Committee realizes that because of the diverse interests represented in Hawaii's communities, it may be impossible to reach a consensus on a single solution to the State's financial difficulties.

In addition to valuable input from the community on which legislative decisions may be based, a five-day recess will provide the opportunity to educate the public and for legislators to explain to constituents their positions and rationale, particularly on the complex and controversial issues.

Community input has always been a critical component of the legislative process and your Committee welcomes continued discussion to develop solutions to revitalize Hawaii's ailing economy. Accordingly, this measure has been amended by:

- (1) Providing that the recess take place in April instead of March; and
- (2) Making other technical, nonsubstantive revisions for clarity and style.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 118, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 118, H.D. 1.

Signed by all members of the Committee except Representatives Say, Ito and Pendleton.

SCRep. 1123-98 Ocean Recreation and Marine Resources on H.C.R. No. 134

The purpose of this concurrent resolution is to express legislative opposition to the installation or deployment of Surveillance Towed Sensor System Low Frequency Active (SURTASS LFA) sonar by the U.S. Navy in Hawaiian waters, if the recent study off the west coast of Hawaii Island indicates harm to the marine life, especially the humpback whales.

Testimony in support of the measure was presented by representatives of the Department of Land and Natural Resources, Animal Rights Hawaii, the Council of Light, the Tides of Life, Mauna Loa Helicopters, Inc., and several individuals. Boats/Hawaii Inc. also supported the measure with suggested amendments.

During the hearing, many individuals expressed concerns over:

- (1) The difficulty in measuring what constitutes harm to marine life; and
- (2) The need to include in the environmental impact statement (EIS) a compilation and analysis of the observations and other data from other sources including whale watch vessels, fishers, research organizations, and others.

Your Committee finds that the U.S. Navy provides an important service to our country for national defense. In addition, the state has the responsibility to protect marine life in Hawaiian waters. Your Committee recognizes that the conclusions of the research currently being conducted on the effects of Low Frequency Active (LFA) sonar will be included in the draft EIS concerning any harm or adverse effects on marine life. If the EIS indicates any evidence that this type of sonar harms or causes adverse effects on marine life, the Legislature should oppose the installation, deployment, or use of such a sonar system in Hawaiian waters.

Your Committee also finds that observations and other data gathered by whale-watch vessels, fishers, research organizations, and others would contribute to understanding the actual impacts of LFA sonar testing and should be included in the EIS.

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

- (1) Clarifying that the sonar is the Surveillance Towed Sensor System Low Frequency Active (SURTASS LFA);
- (2) Stating that the observations and other data from other sources including whale watch vessels, fishers, research organizations, and others are important to understanding the impact of this type of sonar and that such data be compiled and analyzed in the EIS;
- (3) Adding the words "or adverse effects" to describe the impacts on marine life;
- (4) Changing the title to read: "ADVISING THAT THE STATE NOT ALLOW THE INSTALLATION, DEPLOYMENT OR USE OF ANY DEVICES SUCH AS SURTASS LFA THAT WOULD GENERATE OR BE USED TO PRODUCE LOW FREQUENCY ACTIVE SONAR WITHIN HAWAIIAN WATERS IF CURRENT STUDIES OFF THE COAST OF HAWAII ISLAND INDICATE THAT THIS TYPE OF SONAR WOULD RESULT IN HARM OR ADVERSE EFFECTS TO THE MARINE LIFE."; and
- (5) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 134, as amended herein, and recommends that it be referred to the Committees on Public Safety and Military Affairs and Judiciary, in the form attached hereto as H.C.R. No. 134, H.D. 1.

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

SCRep. 1124-98 Higher Education on H.C.R. No. 76

The purpose of this concurrent resolution is to request the State Auditor to perform a management audit of the University of Hawaii encompassing two two-year periods to determine the effects of the 1998 legislation to provide the University with flexibility to contribute to the State of Hawaii economy.

The University of Hawaii testified in support of the concurrent resolution with comments.

Your Committee has amended this concurrent resolution by:

- (1) Requesting an evaluation by the University of Hawaii from the enactment of the legislation to June 30, 2000, and an audit by the State Auditor with a report due in 2003, rather than a management audit by the State Auditor encompassing two two-year periods; and
- (2) Amending the title to read, "REQUESTING AN EVALUATION AND AN AUDIT TO DETERMINE THE EFFECTS OF EXPECTED LEGISLATION GRANTING THE UNIVERSITY OF HAWAII FLEXIBILITY IN VARIOUS AREAS".

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 76, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 76, H.D. 1.

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

SCRep. 1125-98 Higher Education on H.C.R. No. 127

The purpose of this concurrent resolution is to request the Board of Regents and the President of the University of Hawaii (University) to establish a task force to study the feasibility of establishing satellite universities in the Asia-Pacific region.

In support of the intent and overall concept of the measure, the University testified that a President's Committee on International Programs (PCIP) has been created to advise the University President on policies relating to the international activities of the University. Furthermore, this committee could perform the function requested by this measure.

Your Committee finds that the University has the potential to expand with the expected growth in the Asia-Pacific region. However, the University must take innovative steps to take full advantage of this opportunity. Your Committee agrees with the University that PCIP should perform the study.

The concurrent resolution has been amended by:

- (1) Describing the function of PCIP;
- (2) Requesting PCIP to conduct the study rather than requesting the Board of Regents and the University President conduct the study by establishing a task force;
- (3) Requesting the University President rather than the task force to submit a report of findings and recommendations to the Legislature; and
- (4) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 127, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 127, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Santiago, Halford and McDermott.

SCRep. 1126-98 Higher Education on H.C.R. No. 217

The purpose of this concurrent resolution is to request the University of Hawaii (University) to give priority to consideration within the budget of the University College of Tropical Agriculture and Human Resources (CTAHR) to the County Extension Agent positions with family and leadership development emphasis.

A number of individuals submitted testimony in support of the measure. The University submitted comments on the measure.

Your Committee recognizes the importance of the College of Tropical Agriculture and Human Resources (CTAHR) and its County Extension Agents with family and leadership development emphasis. However, at the same time, your Committee supports broader legislation providing the University with increased flexibility that will allow it to allocate resources among its various activities. Dictating University priorities is inconsistent with this broader legislation.

The measure has been amended by:

- (1) Asserting the importance of CTAHR;
- (2) Commending CTAHR for its many contributions to Hawaii and its people;
- (3) Commending County Extension Agents of CTAHR with family and leadership development emphasis rather than requesting the University to give budgetary priority to them;
- (4) Revising the title to conform with changes to the substance; and
- (5) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 217, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 217, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Santiago, Halford and McDermott.

SCRep. 1127-98 Health on H.C.R. No. 142

The purpose of this resolution is to convene a multidisciplinary task force to investigate the feasibility of and develop plans for an Institute for Cancer Treatment and Holistic Healing. Your Committee finds that Hawaii's environment is one of the most beneficial for healing and combining natural, Hawaiian, Eastern and Western medical and healing practices.

Your Committee received testimony from the Cancer Research Center of Hawaii in support of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 142 and recommends that it be referred to the Committee on Legislative Management.

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

SCRep. 1128-98 Economic Development and Business Concerns on H.C.R. No. 214

The purpose of this resolution is to request the East-West Center to establish an Asia Pacific Center for doing business in Asia and on the United States mainland to assist and improve the efforts of Hawaii's businesses at conducting business in Asia and America.

Your Committee recognizes the important role the East-West Center (Center) plays in the Asia Pacific region and its contributions to the State as the Center establishes itself as a leader and catalyst for development in Asia and the Pacific Basin. Your Committee believes that the establishment of an Asia Pacific Center would greatly enhance the economic opportunities available to Hawaii businesses and provide a valuable resource for State agencies such as the Department of Business, Economic Development, and Tourism.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 214 and recommends that it be referred to the Committee on Higher Education.

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

SCRep. 1129-98 Economic Development and Business Concerns on H.C.R. No. 219

The purpose of this concurrent resolution is to facilitate Asia-Pacific business partnerships and development by requesting the Department of Business, Economic Development, and Tourism (DBEDT) to establish an institute for infrastructure project finance training.

Lyon Associates, Inc., testified in support of this measure. The Convention Center Authority testified in support of the intent of this measure. DBEDT commented on this measure.

Your Committee recognizes the potential for forging greater economic ties between Hawaii and Asia and the Pacific. The establishment of an institute that provides services in Asia-Pacific project development would increase opportunities for business ventures and partnerships between Hawaii and the Asia-Pacific community. Your Committee therefore believes that broadening the scope of the institute to include services other than just infrastructure project finance training would be beneficial to these economic endeavors.

Your Committee has amended this measure by:

- (1) Requesting DBEDT to establish an Asia-Pacific institute for infrastructure development, rather than an institute for infrastructure project finance training;
- (2) Broadening the possible location of the institute to include not only the old Marks Estate but also other appropriate facilities;
- (3) Deleting the provision that requests DBEDT to report back to the Legislature prior to the 1999 Regular Session;
- (4) Changing the title of the measure to read: "REQUESTING THE ESTABLISHMENT OF AN ASIA-PACIFIC INSTITUTE FOR INFRASTRUCTURE DEVELOPMENT"; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 219, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 219, H.D. 1.

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

SCRep. 1130-98 Economic Development and Business Concerns and Tourism and Human Services and Housing on H.C.R. No. 215

The purpose of this concurrent resolution, as received by your Committees, is to address the ongoing homeless population problem at Honolulu International Airport (HIA) by requesting the formation of a working committee to study the effects the homeless population at HIA has on businesses at the airport and to recommend solutions.

Your Committees note the findings of a 1998 study by the Hawaii Housing Authority and the Department of Transportation entitled, "Requesting a Study of the Homeless at Honolulu International Airport" in response to S.C.R. No. 203, S.D. 1, H.D. 1 (1997). Your Committees further note the recommendations of the study which addressed the homeless problem at HIA. The recommendations included:

- (1) Expanding job opportunities and skills training;
- (2) Increasing outreach and frequency of interaction with the homeless at HIA;
- (3) Empowering the homeless to help solve the problem;
- (4) Creating a vagrancy statute;
- (5) Developing alternative housing locations; and
- (6) Seeking multiple sources of funding.

Your Committees recognize that funding is key to fulfilling these recommendations and acknowledge that congressional action is necessary to obtain funding for indirect aviation-related projects at Hawaii's airports.

After further consideration, your Committees have amended this concurrent resolution by deleting its contents and inserting new material, the purpose of which is to request Hawaii's Congressional Delegation (Delegation) to take necessary action to amend federal law to enable the use of Federal Aviation Administration funds and airport special funds for indirect aviation-related purposes. The amendments also specify the type of action that the Delegation is to take, including:

- (1) Requesting FAA to amend its definition of the federal law relating to the uses of airport funds to enable the use of FAA funds and airport special funds for indirect aviation-related purposes;
- (2) Introducing legislation to broaden the federal law to allow for the use of FAA funds and airport special funds for indirect aviation-related purposes; and
- (3) Taking other appropriate measures.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Tourism and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 215, as amended herein, and recommend that it be referred to the Committee on Transportation in the form attached hereto as H.C.R. No. 215, H.D. 1.

Signed by all members of the Committees except Representatives Abinsay, Ito, Lee, Stegmaier, White, McDermott and Ward.

SCRep. 1131-98 Education on H.C.R. No. 167

The purpose of this concurrent resolution is to urge the Department of Education to determine how to expand foreign language instruction to all schools and to make it available to as many young students as possible in order to make Hawaii's graduates competitive in the job market.

Your Committee finds that Hawaii's strategic location in the middle of the Pacific Ocean has for decades emphasized its importance as a military outpost for points towards Asia, Southeast Asia, and the South Pacific. Hawaii's future as an economic force, however, will rely more heavily on its human resource capital than on its militarily strategic location because the world's economy is moving towards peace and globalization, rather than war and nationalism. To be competitive in tomorrow's job market, which will become more global in nature due to advances in telecommunications, Hawaii's graduates must be proficient in languages other than English.

Your Committee received testimony supporting the intent of this measure from the Department of Education.

Your Committee has amended this concurrent resolution by clarifying that speakers of English were also immigrants to the Hawaiian islands and are part of the islands' multilingual history.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 167, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 167, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takai and Halford.

SCRep. 1132-98 Economic Development and Business Concerns on H.C.R. No. 194

The purpose of this concurrent resolution is to request each school, through its School/Community-Based Management Council or a committee appointed by the principal, to determine a policy of requiring uniforms for students or other standards of student attire.

The Department of Education (DOE) testified that it was unable to support the measure because the Board of Education's (BOE) policy already allows schools to make choices regarding uniforms.

Your Committee finds that many benefits have resulted from the adoption of school uniforms by certain school districts on the mainland, as well as certain public schools in Hawaii. Generally, parents have been found to favor school uniforms, and many students who were initially opposed to the idea now favor it. In general, school uniforms result in a safer school environment, thereby facilitating learning.

In light of the benefits, it makes sense for each school to at least consider a school uniform or school attire policy. That is what this measure requests each public school to do.

The measure has been amended by:

- (1) Asserting that the Board of Education has established a policy allowing each public school to make choices regarding uniforms, rather than each school should decide on a uniform policy or standards of student attire;
- (2) Deleting the report on individual school policy regarding uniforms or attire; and
- (3) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 194, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 194, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takai and Halford.

SCRep. 1133-98 Education on H.C.R. No. 193

The purpose of this concurrent resolution is to:

- (1) Request the Department of Education (DOE) to provide guidance to each school concerning legal issues, procedures, and Board of Education policies that relate to reciting the Pledge of Allegiance and the singing of the Star-Spangled Banner and Hawaii Ponoï in our schools;
- (2) Request the School/Community-Based Management Council at each school to determine school policy with regard to the recitation of the Pledge of Allegiance and the singing of the Star-Spangled Banner and Hawaii Ponoï;
- (3) Request that at each school without a School/Community-Based Management Council, the principal convene a committee consisting of representation from teachers, parents, and the community in which the school is located to determine school policy with regard to the recitation of the Pledge of Allegiance and the singing of the Star-Spangled Banner and Hawaii Ponoï; and
- (4) Require the Superintendent of Education to submit a report of each school's policy on the recitation of the Pledge of Allegiance and the singing of the Star-Spangled Banner and Hawaii Ponoï no later than twenty days prior to the convening of the Regular Session of 2000.

Your Committee received comments on this concurrent resolution from DOE and a concerned individual.

Your Committee believes that the recitation of the Pledge of Allegiance can help to teach valuable patriotic attitudes and an appreciation of democratic values among youth and that singing the national anthem and the State song is a means of unifying us as one island people.

Your Committee further believes that as we have allowed each public school to take more responsibility for the education received by students at each school, it is important for DOE to provide guidance to the schools concerning legal issues, procedures, and Board of Education policies relating to the recitation of the Pledge of Allegiance and the singing of the Star-Spangled Banner and Hawaii Ponoï in our schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 193 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takai and Halford.
(Representative Morita voted no.)

SCRep. 1134-98 Health on H.C.R. No. 99

The purpose of this concurrent resolution, as received by your Committee, is to urge the federal government to:

- (1) Re-schedule marijuana to a schedule II controlled substance; and
- (2) Give immunity to medical doctors who prescribe marijuana.

Two individuals submitted testimony in support of this measure. The Department of Public Safety, the Department of Health, the Honolulu Police Department, and the Drug Enforcement Administration opposed this measure.

This measure, as received, is strongly worded and generated much opposition. However, your Committee finds that this measure, while it has merit, needs to be rewritten to make it more amenable to the different parties.

This measure has been amended by replacing it with new language urging the United States Congress and the President of the United States to enact legislation to expedite research into the medical efficacy of marijuana. Your Committee has further amended this measure by:

- (1) Changing the title to read: "URGING THE FEDERAL GOVERNMENT TO EXPEDITE RESEARCH INTO THE EFFICACY OF MEDICAL MARIJUANA"; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee believes that urging the federal government to move more swiftly in its testing process of rigorous standards of scientific protocol to move marijuana from a schedule I to a schedule II drug is more appropriate. Urging the federal government to develop a comprehensive and universal policy would discourage states from enacting laws in support of medicinal marijuana in a piecemeal fashion and give the law enforcement community guidelines on this highly controversial issue.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 99, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 99, H.D. 1.

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

SCRep. 1135-98 Higher Education and Education on H.C.R. No. 197

The purpose of this concurrent resolution is to request the University of Hawaii (University) and the Department of Education (DOE) to develop a plan outlining steps the College of Education can take to address teacher shortage and teacher training needs of the DOE.

The Hawaii State Teachers Association submitted testimony in support of the measure. The University and the Department of Education testified in support of the intent of the measure.

Your Committees find that teacher training is one of the most critical functions of the University since most of Hawaii's teachers earn their degrees there. The College of Education has been responsive to a changing educational environment by taking steps to address teacher shortages areas and training needs of DOE.

The measure has been amended by:

- (1) Emphasizing the importance of teacher training and urging that the University system focus on this critical function, and to consider the re-allocation of resources to the College of Education and providing tuition waivers to students in the College of Education;
- (2) Requesting that the plan outline steps that the College of Education is taking and will take, rather than can take, to address teacher shortage and training needs;
- (3) Adding that the plan include how faculty workload is shifting toward areas of need identified by DOE; and
- (4) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 197, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 197, H.D. 1.

Signed by all members of the Committees except Representative McDermott.

SCRep. 1136-98 Legislative Management on H.C.R. No. 14

The purpose of this concurrent resolution is to request the Legislative Auditor to assess the social and financial effects of requiring health insurers to offer coverage for post-mastectomy breast reconstruction surgery.

The Hawaii Medical Service Association, the Hawaii State Commission on the Status of Women, and an individual testified in support of this measure.

Mastectomy is often a required treatment for breast cancer and can be the only, or one of few, viable options to ensure recovery. Your Committee finds that breast reconstructive surgery should be included as part of breast cancer treatment, just as reconstruction is covered for a variety of other illnesses and injuries.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 14, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Say, Ito and Pendleton.

SCRep. 1137-98 Legislative Management on H.C.R. No. 53

The purpose of this concurrent resolution is to request the Legislative Auditor to determine whether the regulation of professional mental health counselors and professional rehabilitation counselors, as proposed in S.B. No. 2341 (1998), would be consistent with State policy.

Child and Family Service, Hawaii Rehabilitation Counseling Association, Sestal Rehabilitation Services, Case Management Works, and numerous individuals submitted testimony in support of this measure.

The regulation of professional mental health counselors and professional rehabilitation counselors would ensure that individuals would receive the treatment they need. This measure would comply with section 26H-6, Hawaii Revised Statutes, which requires the Legislative Auditor to assess the probable effects of proposed regulatory measures being considered for enactment and whether the enactment would be consistent with State policy.

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

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 53, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 53, H.D. 1.

Signed by all members of the Committee except Representatives Say, Ito and Pendleton.

SCRep. 1138-98 Legislative Management on H.C.R. No. 62

The purpose of this concurrent resolution is to assess the need for a center for afterschool activities and education for intermediate school students in the Hilo District.

The Department of Education and a number of students in the Hilo District submitted testimony in support of this measure. The Office of Youth Services supported the intent of this measure.

Your Committee commends the efforts of students of Waiakea Intermediate School and Keaau Middle School who have the desire to better themselves, their peers, and the community. Upon careful consideration, your Committee has amended this measure by:

- (1) Requesting the principals of Waiakea Intermediate School and Keaau Middle School and the District Superintendent for the Hawaii District, instead of the Department of Education, to participate in the study;
- (2) Having the study estimate related costs, including transportation expenses;
- (3) Providing that a certified copy of the measure is transmitted to the District Superintendent for the Hawaii District; and
- (4) Correcting a typographical error.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 62, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 62, H.D. 2.

Signed by all members of the Committee except Representatives Say, Ito and Pendleton.

SCRep. 1139-98 Health on H.C.R. No. 43

The purpose of this resolution is to urge the United States Congress to require that all agricultural products imported into our state have a designation of country of origin and a certification of inspection based on United States Department of Agriculture standards. These requirements should minimize the presence of insect pests and bacterial contaminants.

Your Committee received testimony from the Hawaii Farm Bureau and the State Board of Agriculture in support of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 43 and recommends its adoption.

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

SCRep. 1140-98 Economic Development and Business Concerns on H.C.R. No. 188

The purpose of this resolution is to request the Governor and others in business and the media to promote the purchase of services and products made in Hawaii.

Testimony in support of this resolution was received from the editor of MidWeek Magazine.

Your Committee recognizes that one way to improve Hawaii's economy is by utilizing the services of Hawaii's businesses and purchasing Hawaii produced products. Such support of Hawaii businesses by the local clientele can be an important component in the revitalization of Hawaii's depressed economy.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 188 and recommends its adoption.

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

SCRep. 1141-98 Economic Development and Business Concerns and Tourism on H.C.R. No. 154

The purpose of this resolution is to:

- (1) Facilitate the possibility of expanding and enhancing Hawaii's Free Trade Zone Program; and
- (2) Request the Department of Business, Economic Development, and Tourism (DBEDT) to aggressively promote and assist the Hawaii Convention Center to be transformed into a special duty-free and tax-free arena for foreign exhibits, merchandise, and a major wholesaling venue for the Pacific Rim.

DBEDT provided testimony in support of the intent of the resolution.

Expanding and enhancing Hawaii's Free Trade Zone Program would afford Hawaii greater economic opportunity to stimulate and accelerate industry and increase the number of business travelers to the State. This increase in demand for travel services would result in the full utilization of existing hotel rooms, increase the use of the Hawaii Convention Center, and provide job opportunities for locally-trained service personnel.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Tourism that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 154 and recommend its adoption.

Signed by all members of the Committees except Representatives Abinsay, Ito and Jones.

SCRep. 1142-98 Agriculture on H.C.R. No. 105

The purpose of this concurrent resolution is to request a study on the effect of the Koloa Sugar Mill venture, which is referenced in H.B. No. 3346 (1998), on the operations of the Kauai Tropical Fruit Disinfestation Facility at Lihue.

The Department of Agriculture testified in support of this measure. The Hawaii Farm Bureau testified in support of the intent of this measure. The Department of Business, Economic Development, and Tourism (DBEDT), the Office of Economic Development of the County of Kauai, and Koloa Fruit Packers, Inc. commented on this measure.

Your Committee believes that this measure will help address any questions regarding the effects of the Koloa Sugar Mill venture on the Kauai Tropical Fruit Disinfestation Facility at Lihue.

Your Committee has amended this concurrent resolution by:

- (1) Correcting certain statistics and references in the WHEREAS clauses;
- (2) Requesting DBEDT to examine whether the issuance of a special purpose revenue bond for the conversion of Koloa Sugar Mill into a papaya treatment and processing facility fulfills a public purpose in accordance with Chapter 39A, Part IV, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 105, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 105, H.D. 1.

Signed by all members of the Committee except Representatives Takai, White and Halford.

SCRep. 1143-98 Human Services and Housing and Health on H.C.R. No. 200

The purpose of this concurrent resolution is to request the Legislature and the Department of Health to express commitment to promote and provide essential services to sexual assault victims, their families, and the general public by restoring program funds.

The Sex Abuse Treatment Center, the Domestic Violence Clearinghouse and Legal Hotline, the Hawaii Public Health Association, the Hawaii State Commission on the Status of Women, the League of Women Voters of Hawaii, the Waianae Coast Comprehensive Health Center, Women Helping Women - Maui, the Women's Coalition, the Office of the Prosecuting Attorney - County of Kauai, the YWCA of Kauai Sexual Assault Treatment Program, Child & Family Service, YWCA Hawaii Island, Parents and Children Together, the Hawaii State Coalition Against Domestic Violence, Hale Naau Pono and sixteen individuals submitted testimony in support of this measure. The Sex Abuse Treatment Center also submitted a petition with numerous signatures to maintain public funding for statewide sexual assault services. The Department of Health submitted testimony in support of the intent of this measure.

Your Committee finds that through the overwhelming number of testimony submitted, there is a dire need for funding for these services to be restored. Your Committee further finds that if funding is not restored, the drastic cut in services provided will result in victims not having anywhere to turn to, as these agencies frequently take cases that are not handled by the state departments. Your Committee is cognizant of the current economic conditions, but must emphasize the need for these services.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 200 and recommend that it be referred to the Committee on Finance.

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

SCRep. 1144-98 Public Safety and Military Affairs on H.C.R. No. 80

The purpose of this concurrent resolution is to request the State Department of Defense to conduct a study on the availability and condition of hurricane-resistant public shelters within each County.

The State Department of Defense and the American Red Cross testified in support of the concurrent resolution. The Department of Education commented on the measure.

Your Committee believes that the State must be prepared for any natural disaster which may befall us. As such, your Committee further believes that a study of hurricane-resistant public shelters is necessary for the safety of the people of this State.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 80 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1145-98 Public Safety and Military Affairs on H.C.R. No. 218

The purpose of this concurrent resolution is to express the Legislature's support for the construction of a new correctional facility on the Big Island.

The Department of Public Safety testified in support of the concurrent resolution. Members of the public testified in opposition to the measure.

Your Committee finds that lack of prison space is a serious problem and is one of the major concerns within the criminal justice system. Your Committee believes that a prison on the Big Island would significantly reduce the overcrowding problem facing Hawaii's correctional system.

Your Committee has amended this concurrent resolution by:

- (1) Altering the title to indicate the Legislature's support for either a new prison or expansion of the current facility at Kulani;
- (2) Deleting references to the "fast tracking" of construction;
- (3) Deleting specific references to the number of bed spaces to be created; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 218, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 218, H.D. 1.

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

SCRep. 1146-98 Economic Development and Business Concerns on H.C.R. No. 182

The purpose of this resolution is to assess the steps needed to propel Hawaii's financial services industry to the forefront in handling the fast-emerging electronic commerce that will dominate in the future by requesting the High Technology Development Corporation (HTDC) to study, examine, and determine the capabilities of Hawaii's financial services industry.

HTDC testified in support of this resolution.

Your Committee notes that the worldwide growth of electronic commerce is being fueled by a combination of increased internet access, user confidence, better payment systems, and rapidly improving security. Your Committee believes that HTDC is uniquely positioned to assess the capabilities of Hawaii's financial services industry and determine the industry's ability to accommodate the emerging industry technology.

Your Committee has amended this resolution by:

- (1) Deleting the provision that requests HTDC to report back to the Legislature prior to the 1999 Regular Session; and
- (2) Inserting language directing HTDC to make their report available on their internet website.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 182, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 182, H.D. 1.

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

SCRep. 1147-98 Transportation on H.C.R. No. 93

The purpose of this House concurrent resolution, as received by your Committee on Transportation, is to reduce prohibited behaviors of students relating to leaving campus without consent, cutting classes, and truancy.

Your Committee finds that many students on the island of Oahu use the mass transit bus system as their primary mode of transportation when engaging in class cutting, leaving campus without consent, and truancy. Your Committee further finds that were bus drivers able to refuse service to students, who do not have valid off-campus passes during school hours, that their main source of transportation away from campuses would be eliminated.

This House concurrent resolution requests the Public Transportation Division of the Honolulu Department of Transportation Services, in consultation with the Department of Education, to adopt policies and procedures allowing bus drivers to deny service to students who do not have valid off-campus passes during school hours as a means for curbing class cutting, leaving campus without consent, and truancy.

Testimony supporting the intent of this measure was received from the Department of Education. An individual involved in a project to improve school attendance in the Waiānae area testified that students would be discouraged from leaving campus if bus drivers had the power to deny them service.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 93, H.D. 1, and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 1148-98 Transportation on H.C.R. No. 205

The purpose of this House concurrent resolution, as received by your Committee, is to reduce the harmful effects of herbicide utilization in the maintenance of roadsides.

Your Committee finds that there are many health hazards that are associated with herbicides. The presence of these chemicals on roadsides is potentially harmful to those who walk, drive, or ride their bikes along these roads. Your Committee further finds that there are numerous factors involved in roadside maintenance, including worker safety and environment quality that also needs to be addressed.

Testimonies in support of this measure were received from the Department of Transportation, Hawaii's Coalition for Alternatives to Pesticides, Life of the Land, and many concerned citizens.

Testimony opposed to the measure was received from Rescue Hawaii.

Your Committee has amended this House concurrent resolution by inserting the phrase "report their progress toward adopting and implementing roadside vegetation management programs, including gathering data regarding injuries requiring medical treatment for workers or members of the public and the control methods associated with such injuries" on page 2, lines 7-12.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 205, as amended herein, and recommends that it be referred to the Committee on Energy and Environmental Protection, in the form attached hereto as H.C.R. No. 205, H.D. 1.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 1149-98 Transportation on H.C.R. No. 229

The purpose of this House concurrent resolution, as received by your Committee on Transportation, is to provide greater safety for children riding in motor vehicles by encouraging parents to have them ride in the back seats of motor vehicles, rather than in front seats.

Your Committee finds that the use of seat belts by back seat passengers reduces the possibility of incurring serious injuries in motor vehicle collisions. Your Committee further finds that parents are not aware that their children would be safer were they to ride in the back seats of vehicles, utilizing restraint systems or seat belts.

This House concurrent resolution requests the Department of Transportation (DOT) to conduct an educational campaign to inform the public that children are safer riding in the back seats of motor vehicles, rather than in front seats.

especially when wearing seat belts, or using restraint systems if under the age of four. The DOT is further requested to examine the necessity of requiring mandatory use of seat belts by all back seat passengers, especially by passengers under the age of thirteen.

Testimony in support of this measure was received from the Hawaii Medical Association, citing that it would help save lives and prevent serious injuries. The Department of Transportation testified in support of the intent of this measure, but felt that it was unnecessary, since it is already involved in promoting the use of child passenger safety systems.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 229, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 229, H.D. 1.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 1150-98 Transportation on H.C.R. No. 230

The purpose of this House concurrent resolution, as received by your Committee, is to provide additional safety for children between the ages of three and four while they are riding as passengers in motor vehicles.

Your Committee finds that the State's Child Passenger Restraints law requires children between the ages of three and four to be restrained either in car seats or by seat belts, while the recommendation of the National Committee Uniform Traffic Laws and Ordinances' model child restraint law requires children up to four years of age to be restrained in car seats. Your Committee further finds that there is evidence that car seats are safer for children up to four years of age because of their sizes and physical developments.

The proposed House concurrent resolution requests the Department of Transportation to conduct an educational campaign to educate parents on the necessity for children under the age of four to be restrained in approved car seats when riding in vehicles.

Testimonies in support of this measure were received from the City and County of Honolulu Police Department, the Hawaii Medical Association and the Healthcare Association of Hawaii. The Department of Transportation supports the intent of this House concurrent resolution, but doesn't think that it is necessary, since the Department is already promoting the use of child passenger restraint systems.

Your Committee has amended this House concurrent resolution by making a technical nonsubstantive amendment for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 230, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 230, H.D. 1.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 1151-98 Judiciary on H.C.R. No. 16

The purpose of this concurrent resolution is to request the collection of data relating to sexual harassment in State agencies and a proposed educational training program for State agency directors and management.

The Hawaii State Commission on the Status of Women, the Hawaii Civil Rights Commission, the Sex Abuse Treatment Center and the National Employment Lawyers Association testified in support of the concurrent resolution. The Judiciary commented on the measure.

Your Committee believes that sexual harassment is an unwelcome and unwanted behavior and that statewide data on this subject is either unavailable or incomplete. Data collection is essential to understanding this sociological behavior.

Your Committee has amended this measure by:

- (1) Requesting the Judiciary as well as State agencies to cooperate in the gathering of data;
- (2) Ensuring that the gathering of information does not violate confidentiality; and
- (3) Including "educational efforts" to the list of information to be gathered by the Judiciary and each State agency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 16, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 16, H.D. 1.

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

SCRep. 1152-98 Judiciary on H.C.R. No. 71

The purpose of this concurrent resolution is to request the United States Congress to prepare and submit to the several states, an amendment to the United States Constitution to add a new article as follows: "Neither the Supreme Court nor any inferior court of the United States shall have the power to instruct or order a state or a political subdivision thereof, or an official of such a state or political subdivision, to levy or increase taxes."

Your Committee believes that this amendment will clarify that the judicial branch of government must abide by those provisions of the Constitution of the United States which provide that there shall be no taxes raised without the consent of the government through their duly elected representatives. This amendment seeks to prevent federal courts from levying or increasing taxes without representation of the people and against the people's wishes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 71 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom, Cachola, Hiraki, Menor and Yoshinaga.
(Representative Case voted no.)

SCRep. 1153-98 Judiciary on H.C.R. No. 107

The purpose of this concurrent resolution is to request the Judiciary to examine juror fees.

The Judiciary testified in support of the measure.

Your Committee finds that the last juror fee increase was in 1986 when fees were raised from \$20 to the current level of \$30 per day. Your Committee further finds that although employees of state and local governments and some businesses are paid by their employers while serving on juries, many employees do not receive adequate compensation while on jury duty.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 107 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1154-98 Judiciary on H.C.R. No. 143

The purpose of this concurrent resolution is to address concerns relating to payments made to the Department of Hawaiian Home Lands.

The Office of Hawaiian Affairs and the Council of Hawaiian Homestead Associations. The Board of Land and Natural Resources commented on the measure.

Your Committee finds that this measure will assist in the tracking of all revenues due the Department of Hawaiian Home Lands.

Your Committee has amended this concurrent resolution by:

- (1) Adding language to ensure that the Auditor examine the findings, recommendations, and implementation of the 1993 study; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 143, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 143, H.D. 2.

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

SCRep. 1155-98 Consumer Protection and Commerce on H.C.R. No. 58

The purpose of this concurrent resolution is to request the Legislative Auditor to study the cost effectiveness of allowing subscribers to managed care health plans to have direct access to dermatologists.

Supportive testimony was received from the Hawaii Medical Association and the Hawaii Federation of Physicians and Dentists. The Hawaii Medical Service Association testified in support of the resolution's intent and offered comments on the measure.

Proponents of this measure testified that direct access to specialty care is a cost effective means of ensuring that patients are provided with the best possible quality of health care. Their testimony further indicated that the states of Georgia and Florida have legislatively mandated direct access to dermatologists in managed care plans. Whether this state should follow suit in enacting similar legislation requires further study on the financial implications and cost effectiveness of such a mandate.

Your Committee also received testimony commenting on the scope and details of the study being requested, since the term "managed care plans" can be broadly defined to include preferred provider organizations (PPOs), closed panel health maintenance organizations (HMOs with "gatekeepers"), and health maintenance organizations with a broad choice of providers and no restrictions on direct access (IPAs). Testimony also indicated that a study on cost effectiveness should identify the extent to which managed care plans in the State do not allow direct access, and examine both plans with and those without direct access.

Based upon these considerations and concerns as to the complexity of the study being requested, your Committee has amended this concurrent resolution by:

- (1) Inserting language that clarifies the current situation relating to:
 - (a) The range of health plans available in the State that permit and do not permit direct access to dermatologists, including the State QUEST program; and
 - (b) Closed panel plans;
- (2) Requesting that the Legislative Reference Bureau (LRB) in the course of conducting this study access a qualified researcher with expertise in health outcomes, biostatistics, and health economics;
- (3) Requesting that the study address the following issues:
 - (a) The definitions of "direct access" and "gatekeeper";
 - (b) Identification of the health care plans that offer direct access to dermatologists, and a description of their appointment process, the waiting time to secure an appointment with a dermatologist, and dermatologists' patient loads;
 - (c) Identification of the health care plans that do not offer direct access, or that limit direct access to dermatologists, and a description of the conditions under which direct access is permitted and the time required to obtain an appointment with a dermatologist;
 - (d) Identification of the entity that determines the rules or protocols for direct access, e.g. health plan, clinic management, etc.;
 - (e) Evidence, based on data studies and medical record reviews, of harm to patients who have been denied direct access to dermatologists, and cost benefits derived from direct access;
 - (f) Identification of the types of health care providers who provide dermatological services, the type of services provided, and the methods and rates of reimbursement for these services; and
 - (g) Compensation arrangements with "gatekeeper" physicians and whether they adversely affect the "gatekeeper's" decision to refer a patient to a dermatologist;

and
- (4) Extending the deadline for submission of the LRB's report to the Legislature to no later than twenty days prior to the convening of the Regular Session of 2000.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 58, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 58, H.D. 1.

Signed by all members of the Committee except Representatives Case, Garcia, Herkes, Tom and Yoshinaga.

SCRep. 1156-98 Consumer Protection and Commerce on H.C.R. No. 223

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct a study of mandatory health insurance coverage for mental health treatment.

Supportive testimony was received from the National Alliance for the Mentally Ill Oahu, the Hawaii Medical Services Association, the Hawaii Psychological Association, the Equal Insurance Coalition, the Hawaii Government Employees Association, and an individual. The Department of Health testified in support of the bill with amendments. Kaiser Permanente expressed its support of the bill, but with some concerns.

Earlier this session, your Committee passed H.B. No. 427 H.D. 1 that requires that health insurance plans provide outpatient treatment coverage for children with serious emotional disturbances and for adults with severe mental illnesses that is no less extensive than the coverage provided for any other medical illness. Before legislation mandating such coverage can be passed, an assessment of the social and financial effects of the proposed mandated coverage must be completed by the Legislative Auditor pursuant to section 23-51, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 223, H.D. 1, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Cachola, Garcia, Tom, Yoshinaga and Pendleton.

SCRep. 1157-98 Consumer Protection and Commerce on H.C.R. No. 124

The purpose of this concurrent resolution is to evaluate the adequacy of AlohaCare in providing health care to QUEST patients by requesting the Auditor to conduct a financial audit of AlohaCare and review contracts between AlohaCare and subcontractors relating to the provision of health care under the QUEST program.

NAMI Oahu and numerous individuals testified in support of the concurrent resolution. The Department of Human Services and AlohaCare testified in opposition to the concurrent resolution.

Your Committee finds that this concurrent resolution addresses important concerns raised by providers, former providers, and patients of AlohaCare regarding the timeliness of claims processing, the accessibility of adequate health care, the composition of its drug formulary, and the provision of mental health and substance abuse treatment.

In addition, concerns were raised in regard to a possible violation of AlohaCare's Request for Proposal contract concerning the provision of medically necessary mental health, drug abuse, or alcohol abuse services.

Based on the testimony in support of this concurrent resolution, your Committee finds that many of the concerns raised address the ability for AlohaCare to effectively implement their QUEST health care program. Therefore, your Committee has amended the title and the "BE IT RESOLVED" clause of this concurrent resolution to request the Auditor to perform not only a financial audit but also a management audit.

While your Committee takes no position at this time regarding the need for an audit, your Committee nevertheless feels that the issues raised in this concurrent resolution warrant further consideration and discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 124, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 124, H.D. 2.

Signed by all members of the Committee except Representatives Cachola, Garcia, Tom, Yoshinaga and Pendleton.

SCRep. 1158-98 Consumer Protection and Commerce on H.C.R. No. 227

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study on the cost implications of legislation mandating dental health plans to make fee payments directly to non-participating dentists.

Supportive testimony was received from the Hawaii Dental Association and several individuals. Testimony in support of the resolution with amendments was received from several individuals. The Legislative Information Services of Hawaii testified in opposition to the resolution. The Hawaii Medical Services Association (HMSA) submitted comments on and proposed amendments to the measure.

H.B. No. 3105, introduced this session and considered earlier by the Committee on Health, proposed to allow non-participating dentists to receive direct payment from a dental health plan and to receive reimbursement equal to that payable to a participating dentist. Proponents of the concept of direct and equal reimbursement for nonparticipating dentists argue that it would allow consumers the freedom to choose a dentist who offers quality dental care and lessen the financial burden imposed by "up front" payments, without raising costs for consumers through higher premiums and without putting the viability of the health plan at risk.

Opponents to direct and equal reimbursement contend that it may increase the employer's cost of providing dental care coverage for its employees, result in "out-of-pocket" costs for consumers, and limit the effectiveness of preferred provider programs in controlling costs.

This concurrent resolution focuses only on the issue of direct payment to nonparticipating dentists. However, your Committee finds that the issue of equal reimbursement to nonparticipating dentists is equally important and also raises questions of cost that merit further study. Undertaking a study on both issues simultaneously would be more efficient and cost effective, and produce more comprehensive findings. Accordingly, your Committee has amended this concurrent resolution by amending its title and text to reflect that the study should include an investigation into the cost implications of a law requiring equal reimbursement of fees for dentists. Additionally, the concurrent resolution has been amended to:

- (1) Include statements that more accurately reflect the findings and recommendations of the LRB on the issue of equal reimbursement;
- (2) Include statements proposed by HMSA relating to the potential effects of allowing direct payments to dentists;
- (3) Clarify that before the Legislature takes action on a direct payment and equal reimbursement bill for dentists and other health providers, an investigation is necessary to determine whether direct payment and equal reimbursement would raise or lower costs for employers;
- (4) Require that certified copies of this concurrent resolution also be transmitted to the Insurance Division of the Department of Commerce and Consumer Affairs, the Department of Labor and Industrial Relations, the Department of Human Services, the Public Employees Health Fund, the Chamber of Commerce of Hawaii, and Small Business Hawaii; and

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 227, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 227, H.D. 2.

Signed by all members of the Committee except Representatives Cachola, Garcia, Tom, Yoshinaga and Pendleton.

SCRep. 1159-98 Energy and Environmental Protection on H.C.R. No. 67

The purpose of this concurrent resolution is to maximize the capacity of Hawaii's landfills by reducing the volume of scrap metal being disposed of in these landfills.

This measure requests the Department of Health (DOH) to:

- (1) Determine the amount of scrap metal currently being disposed of in landfills; and
- (2) Assess the impact of banning scrap metal from landfills.

DOH supported the intent of this measure and suggested the scrap metal industry's support in conducting the assessment. The Hawaii Metal Recycling Company testified in support, and the City and County of Honolulu Department of Public Works opposed this measure.

Upon further consideration, your Committee has amended this concurrent resolution by:

- (1) Requesting DOH to conduct its assessment in cooperation with the scrap recycling industry as well as the counties; and
- (2) Making technical, nonsubstantive revisions for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 67, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 67, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Morihara and Meyer.

SCRep. 1160-98 Energy and Environmental Protection on H.C.R. No. 239

The purpose of this concurrent resolution is to assist the cattle industry in combating gorse, a thorny shrub that is crowding out grazing land on the Big Island and Maui.

This measure requests the Department of Agriculture (DOA) to develop an action plan to eliminate gorse within two years. A key part of this action plan would involve the development of partnerships among the major parties in both the public and private sectors.

Your Committee finds that in 1986, the Hawaii Steering Committee on Gorse Control developed a gorse control plan and implementation program. This program has utilized a range of management practices including biocontrol, herbicides, burning, and reforestation, as well as the use of goats and sheep. Adequate gorse control can be achieved by a long term commitment utilizing a variety of control measures in an integrated program.

The DOA supported the intent of this measure, and the University of Hawaii's College of Tropical Agriculture and Human Resources offered comments. Both testified that eliminating gorse within two years is an unrealistic and unachievable goal. Rescue Hawaii and the Waimea Hawaiian Homesteaders' Association, Inc. also supported this measure.

Your Committee has amended this concurrent resolution by:

- (1) Requesting that the action plan focus on suppressing rather than eliminating gorse within two years; and
- (2) Changing the title to read: "REQUESTING AN ACTION PLAN TO SUPPRESS THE GORSE SHRUB."

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 239, as amended herein, and recommends that it be referred to the Committee on Agriculture in the form attached hereto as H.C.R. No. 239, H.D. 1.

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

SCRep. 1161-98 Energy and Environmental Protection on H.C.R. No. 241

The purpose of this concurrent resolution is to seek answers to questions posed by Hawaii consumers regarding gasoline prices by urging the Department of Business, Economic Development, and Tourism (DBEDT) to convene the Petroleum Advisory Council to study gasoline prices and Hawaii's gasoline market.

Act 257, Session Laws of Hawaii 1997, established the Advisory Council to:

- (1) Advise DBEDT of trends and activities in the retail petroleum industry that may require statutory consideration; and
- (2) Take other action necessary to ensure that DBEDT is informed of all relevant developments in the retail petroleum industry affecting the health, safety, and welfare of the public.

In supporting this measure, DBEDT testified that it is in the process of convening the Advisory Council. The Hawaii Automotive Repair and Gasoline Dealers Association also supported this measure, and a concerned individual offered amendments.

Your Committee finds that once the Advisory Council is convened, it can help to provide a critical source of information to Hawaii consumers. As its first order of business, this measure requests the Advisory Council to:

- (1) Investigate the general pricing structure of the petroleum industry; and
- (2) Develop a proposed plan of action to address the basic question of why Hawaii gasoline prices appear to be inappropriately high.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 241 and recommends that it be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representatives Hamakawa.

SCRep. 1162-98 Energy and Environmental Protection and Water and Land Use on H.C.R. No. 238

The purpose of this concurrent resolution, as received by your Committees, is to mitigate taro crop damage on Kauai by requesting the Department of Land and Natural Resources (DLNR), Forestry and Wildlife Division, to study the feasibility of relocating the endangered moorhen and coot birds from Hanalei National Wildlife Refuge (Refuge) to State-managed and State-protected waterlands.

The Office of Hawaiian Affairs testified in support of this measure, and the United States Fish and Wildlife Service described various strategies to assist taro farmers. DLNR submitted testimony in opposition to this measure and indicated that the capture and transplanting of these birds would be ineffective, uneconomical, a waste of limited resources, and would probably be of no benefit to local taro farmers in the long run.

Your Committees recognize that finding a suitable location for the moorhen and coot birds would be difficult and impractical as these birds are habitual in nature and would return to their home grounds. However, your Committees further recognize the detrimental effects of these waterbirds on taro production on Kauai and the need to protect this important industry, and therefore acknowledge the need to pursue efforts regarding short- and long-term solutions concerning waterbird management on Kauai and the need to examine other suitable areas of habitat for these birds.

Accordingly, your Committees have amended this concurrent resolution by:

- (1) Requesting the DLNR Forestry and Wildlife Division and the Department of Agriculture (DOA) to work with the United States Fish and Wildlife Service and the United States Department of Agriculture Animal and Plant Health Inspection Service to plan short- and long-term solutions concerning waterbird management on Kauai and the expansion of suitable areas for foraging and nesting habitat for waterbirds, rather than requesting a feasibility study on relocating moorhen and coot birds from the Refuge to State-managed and State-protected waterlands;
- (2) Changing the title of the concurrent resolution to read: "REQUESTING A PLAN CONTAINING SHORT- AND LONG-TERM SOLUTIONS CONCERNING WATERBIRD MANAGEMENT ON KAUAI AND THE EXPANSION OF SUITABLE AREAS FOR FORAGING AND NESTING HABITAT FOR WATERBIRDS";
- (3) Requesting that DLNR and DOA submit a joint report of their findings and recommendations to the Legislature prior to the 1999 Regular Session, rather than requesting a report by only DLNR;
- (4) Specifying that the Chairperson of the Board of Agriculture, the United States Fish and Wildlife Service, and the United States Department of Agriculture Animal and Plant Health Inspection Service receive certified copies of this measure; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 238, as amended herein, and recommend that it be referred to the Committee on Agriculture in the form attached hereto as H.C.R. No. 238, H.D. 1.

Signed by all members of the Committees except Representative Morihara.

SCRep. 1163-98 Education on H.C.R. No. 195

The purpose of this concurrent resolution is to facilitate the development of policy by each school regarding prayer, moment of silence, and graduation activities with respect to religion by requesting the Superintendent of Education to provide each school with guidelines in these areas.

In its testimony, the Department of Education (DOE) agreed that public schools need clear guidelines pertaining to religious expression. According to DOE, it has provided guidelines in memorandum form relating to these topics and is working towards a handbook that would be easier to use. However, DOE testified that it would be hesitant to require each school to create a policy regarding religious expression, and that each school should be allowed to decide whether to consider the matter.

Your Committee finds that religious expression in the public schools raises complex legal issues. While DOE has issued a memorandum to each school containing information about these issues, the memorandum is written in such a legalistic style that it is not understandable to the ordinary person, and therefore, of not much use.

Consonant with the restructuring of DOE and the decentralization of decision-making, your Committee agrees that each school should be allowed to decide whether to formulate a policy on religious expression.

The measure has been amended by:

- (1) Asserting that the guidelines to be provided to each school are to be written in plain English;
- (2) Asserting that the guidelines will help each school to formulate rather than determine school policy;
- (3) Asserting that the guidelines will help each school formulate guidelines about graduation activities with respect to religious expression rather than religion;
- (4) Deleting the request for the School/Community-Based Management Council or a committee formed by the school principal to determine policy with regard to prayer or moment of silence, and religion in graduation ceremonies;
- (5) Changing the substance of the report to focus on the guidelines rather than on individual school policy;
- (6) Revising the title to conform to the revisions made to the body; and
- (7) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 195, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 195, H.D. 1.

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

SCRep. 1164-98 Education and Higher Education and Culture and the Arts on H.C.R. No. 171

The purpose of this concurrent resolution is to urge all schools in Hawaii to include music as an integral and regular part of their curriculum, so as to provide students with an essential musical experience.

Two members of the Music Education Task Force, a music professional, the Hawaii Music Educator's Association, a former State Music Specialist and a concerned citizen testified in support of the concurrent resolution. The Department of Education and the University of Hawaii testified in support of the intent of this concurrent resolution.

Your Committees have amended this concurrent resolution to limit the focus to public elementary and secondary schools. Specifically, your Committees have amended this concurrent resolution by:

- (1) Amending the title to read:

"URGING THE DEPARTMENT OF EDUCATION TO REVIEW AND IMPROVE EXISTING MUSIC EDUCATION PROGRAMS IN ALL PUBLIC ELEMENTARY AND SECONDARY SCHOOLS IN HAWAII.";
- (2) Limiting the transmittal of the concurrent resolution to certain persons involved in public elementary and secondary education; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Education, Higher Education, and Culture and the Arts that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 171, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 171, H.D. 1.

Signed by all members of the Committees except Representatives Takamine, Yonamine and McDermott.

SCRep. 1165-98 Labor and Public Employment on H.C.R. No. 116

The purpose of this concurrent resolution is to request the Office of the Governor to proceed with discussions which may lead to a letter of agreement with the National Performance Review (NPR) committing both the state and federal governments to explore reducing barriers to reinventing government by shifting to performance management and performance partnerships to achieve public goals.

Specifically, this measure:

- (1) Requests the federal government to assign a liaison from NPR to assist in creating performance partnerships;
- (2) Convenes a steering committee to advise the Governor on the goals of the NPR partnership; and
- (3) Specifies that the steering committee develop:
 - (a) A results measurement system; and
 - (b) A performance partnership development mechanism.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 116 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1166-98 Water and Land Use on H.C.R. No. 245

The purpose of this concurrent resolution is to support the withdrawal of 4.5 acres of land at Kalawahine, Oahu (Land), from the Governor's Executive Order No. 1529 and the transfer of the Land to the Department of Hawaiian Home Lands (DHHL).

DHHL testified in support of this measure, indicating that the Board of Land and Natural Resources has expressed its intent to and is moving toward transferring the Land to DHHL.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 245, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, Morihara, Meyer and Thielen.

SCRep. 1167-98 Water and Land Use on H.C.R. No. 161

The purpose of this resolution is to request a study from the Department of Land and Natural Resources (Department) on the feasibility of allowing, for nominal consideration, the amendment of certain land patents by removing conditions restricting the use of the land for eleemosynary purposes.

The Department submitted testimony in opposition to this measure, citing the lack of current resources. The Hawaii Conference Foundation submitted testimony in support of this measure and indicated that the study referenced in the resolution (Study) would not require a complete examination of all land patents issued prior to 1895, but rather an examination of pertinent and selective land patents. The Hawaii Conference Foundation also indicated that it would be willing to work with the Department to complete its Study. A concerned individual also submitted testimony in support of this resolution.

After due consideration, as the Department has indicated its willingness to work with concerned individuals and organizations to complete the Study, your Committee has amended this measure to so state.

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

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 161, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 161, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Morihara, Meyer and Thielen.

SCRep. 1168-98 Water and Land Use and Energy and Environmental Protection on H.C.R. No. 177

The original intent of this resolution was to endorse and adopt the recommendations contained in the draft Ala Wai Canal Watershed, Water Quality Improvement Project, Management and Implementation Plan (Plan).

Your Committees received testimony in support of this measure from the Department of Public Works of the City and County of Honolulu, Ala Wai Canal Watershed Water Quality Improvement Project, Pacific Women's Network, Life of the Land, and an individual. The Board of Land and Natural Resources was unable to support this resolution given the preliminary nature of the Plan.

The Department of Health (DOH) submitted testimony suggesting that the resolution be amended to urge strong support for the ongoing and much broader Ala Wai Canal Watershed Improvement Project in addition to acknowledging efforts to date in developing proposed management measures as specified in the Plan.

After due consideration, your Committees agree with the recommendations of DOH and has amended this measure to incorporate DOH's suggested changes as described herein.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Energy and Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 177, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 177, H.D. 1.

Signed by all members of the Committees except Representative Morihara.

SCRep. 1169-98 Energy and Environmental Protection and Water and Land Use on H.C.R. No. 78

The purpose of this concurrent resolution is to reaffirm state support for efforts to encourage the development and use of renewable energy.

The Department of Business, Economic Development, and Tourism and Hawaiian Electric Company (HECO) and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company, supported the intent of this measure. HECO testified that:

- (1) It currently provides capacity payments to renewable energy projects which provide firm capacity;
- (2) In its negotiations for power purchase agreements with two large-scale renewable energy projects, the contract price is based on time-of-day rates pre-established for the term of the contract;
- (3) It is opposed to externalities benefits payments, because, among other things, they would:
 - (a) Have substantial uncertainty regarding the quantification and valuation of the payments;
 - (b) Violate the Federal Energy Regulatory Commission's recent avoid cost cap rulings;
 - (c) Result in higher rates; and
 - (d) Unjustly enrich independent power producers at the expense of consumers.

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

- (1) Encouraging electric utilities to offer power purchase contracts with provisions such as capacity payments (where appropriate), time-of-day pricing, and term lengths with specified payment schedules (where appropriate) that will help renewable energy developers to secure project financing;
- (2) Specifying that, as required, the power purchase contracts be submitted to the Public Utilities Commission for approval; and
- (3) Including the Department of Land and Natural Resources in the distribution of this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 78, as amended herein, and recommend that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.C.R. No. 78, H.D. 1.

Signed by all members of the Committees except Representative Morihara.

SCRep. 1170-98 Energy and Environmental Protection on H.C.R. No. 233

The purpose of this concurrent resolution is to reduce air pollution that may pose health and safety risks to State and County workers and the general public in the use of petroleum distillates/solvents and cleaners.

This measure requests all State and County Chief Procurement Officers to support efforts to utilize neutral aqueous cleaning solutions and other cleaners and solvents containing low levels of volatile organic compounds by including provisions for their preference and procurement in State and County bid lists.

Supporting testimony was presented by the Hawaii Association of Environmental and Recycling Companies, the Pacific Air and Watershed Society, and KO Environmental, Inc. An individual representing Unitek Solvent Services, Inc., the National Independent Parts Cleaners Association, and the automotive repair and maintenance business of Hawaii opposed this measure.

Due to questions regarding the benefits that would be gained from the use of neutral aqueous cleaning solutions, your Committee has amended this concurrent resolution by requesting the Chief Procurement Officers to conduct a cost-benefit analysis, evaluating both the financial impacts as well as the health and safety benefits to workers and the environment. A description of different types of neutral aqueous cleaning solutions has also been inserted into this measure.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 233, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 233, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Morihara and Meyer.

SCRep. 1171-98 Energy and Environmental Protection on H.C.R. No. 234

The purpose of this concurrent resolution is to address the problem of the illegal dumping of used tires by requesting:

- (1) Tire dealers and retailers to comply with the disposal requirements of the used motor vehicle tire recovery law; and
- (2) The Department of Health (DOH) to require tire dealers and retailers to provide evidence of compliance or to cite violators.

Although it supported the intent of this measure, DOH testified that the establishment and oversight of a formal manifest program for scrap tires would be a burden on industry as well as on DOH. A preferable alternative would be a voluntary manifest program as called for elsewhere in this measure. Such a program would be a less costly and a less staff-intensive alternative.

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

- (1) Requesting tire dealers and retailers to require haulers of scrap tires to return evidence such as invoices of proper tire management from permitted tire recyclers or processors;
- (2) Deleting the provision that requests DOH to either require tire dealers and retailers to provide it with evidence of compliance or to cite violators;
- (3) Changing the title to read: "REQUESTING THAT TIRE DEALERS AND RETAILERS COMPLY WITH THE DISPOSAL REQUIREMENTS OF CHAPTER 342I, PART II, HAWAII REVISED STATUTES"; and
- (4) Making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 234, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 234, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Morihara and Meyer.

SCRep. 1172-98 Energy and Environmental Protection on H.C.R. No. 236

Effectiveness and efficiency are among the foundations of responsible, good government. The purpose of this House concurrent resolution is to request the State Auditor to conduct a comprehensive management and financial audit of the Department of Health's Environmental Health Administration. It is intended that this audit identify both the areas of effectiveness of the Environmental Health Administration's efforts as well as the areas for improvement.

This information is also needed to further assure the public that its limited but precious environmental dollars and the activities of this lead environmental governmental entity are being effectively deployed. In addition, this audit is also needed to provide the Legislature with objective and comprehensive information concerning areas where funds should be allocated and, if need be, increased to achieve the public interest in promoting both economic development and environmental protection without sacrificing either for the other.

The Auditor is to report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the 1999 Regular Session.

After a hearing before your Committee in which a private citizen testified in favor of the resolution, and the Department of Health strongly opposed it, Your Committee has amended the resolution:

- (1) to include a statement requiring an inquiry of the adequacy of the funding of Environmental Health Administration programs in light of priority areas and the impact on federal funding;
- (2) to change the resolution's title to read as follows: "REQUESTING A PERFORMANCE REVIEW THROUGH A MANAGEMENT AND FINANCIAL AUDIT OF THE ENVIRONMENTAL HEALTH ADMINISTRATION OF THE DEPARTMENT OF HEALTH";
- (3) to include a statement requiring an inquiry of the problem identification, performance evaluation criteria, and the making of improvement recommendations for the consultant procurement process;
- (4) to include a statement requiring an inquiry of the enforcement and party compliance measures, investigation criteria, and the making of improvement recommendations for enforcement/compliance measures; and
- (5) to make technical, nonsubstantive changes for style and clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 236, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 236, H.D.1.

Signed by all members of the Committee except Representatives Hamakawa and Meyer.
(Representative Thielen voted no.)

SCRep. 1173-98 Energy and Environmental Protection on H.C.R. No. 249

The purpose of this concurrent resolution is to support the on-going assessment being conducted by the Departments of Health and Transportation into the contamination of the Honolulu Harbor region. This measure also requests that both the Legislature and the public be informed of the progress and findings of the assessment.

The Department of Health (DOH) testified in support of this concurrent resolution and suggested an amendment. The Department of Transportation (DOT), Chevron, and Hawaiian Electric Company and its subsidiary utilities, Hawaii Electric Light Company and Maui Electric Company, also supported this measure.

This concurrent resolution is a result of your Committee's investigation into the contamination of Honolulu Harbor. Your Committee held several public informational briefings looking into the current state of soil and marine contamination around the Pier 29/Nimitz Corridor area and exploring the adequacy of the remediation and clean up efforts, and the openness to public scrutiny and accountability of the potentially responsible parties.

Your Committee has amended this concurrent resolution by:

- (1) Inserting the following two WHEREAS clauses that were inadvertently omitted from the printed version of this measure:
 - (a) The first clause states that until a full assessment is conducted by qualified experts, the full extent of the contamination and risks involved won't be known; and
 - (b) The second clause points out that DOH and DOT are already engaged in such an assessment with the full cooperation of the private sector;
 - (2) Requesting DOT to:
 - (a) Develop new lease provisions to ensure that leased state properties are returned to the State in the condition they were in when they were originally leased; and
 - (b) Submit a report to the Legislature on the new lease provisions as well as procedures for improved coordination with DOH;
- and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 249, as amended herein, and recommends that it be referred to the Committee on Transportation in the form attached hereto as H.C.R. No. 249, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Morihara and Meyer.

SCRep. 1174-98 Education on H.C.R. No. 5

The purpose of this concurrent resolution is to request the Department of Education to establish a pilot Saturday program at Radford High School.

The concurrent resolution also requests the Department to provide retirement service credit to teachers who volunteer their time to the program and to seek volunteer assistance from the military. The Department is also requested to integrate Radford High School's curriculum with the program.

Your Committee finds that Radford High School presently has a Saturday program. The Radford Program provides students with guidance, leadership, and directed studies. The Program is staffed by dedicated volunteers from the military.

Your Committee received testimony from the Department of Education which expressed several concerns including providing retirement service credit to teachers who volunteer their time with the Program. After due consideration, your Committee has amended the concurrent resolution and its title by removing the provision with respect to retirement service credits and by recognizing the efforts of the volunteers that have worked so hard to make the Program a success.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 5, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 5, H.D. 1.

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

SCRep. 1175-98 Education on H.C.R. No. 82

The purpose of this concurrent resolution is to request the Department of Health and the Department of Education to collaborate in developing student-centered mental health intervention services for children covered by the Felix v. Cayetano consent decree.

This concurrent resolution further requests that:

- (1) National and local school-based mental health center models be used to develop a quality and cost-effective student-centered mental health intervention service system;
- (2) Student-centered mental health interventions be equipped to serve low- to medium-end children and youths in their least restrictive environment;
- (3) Student-centered mental health interventions act as the foundation for school-based health centers in the future;
- (4) The Department of Health act not just as a conduit for funding, but rather, as an active participant in the planning and implementation of school-based health centers state-wide; and
- (5) The Departments of Health and Education are requested 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 received testimony in support of this concurrent resolution from the Departments of Education and Health.

Your Committee finds that the estimated number of Felix-class children needing mental health services has grown to 18,000, exceeding expectations by fifty per cent. Costs have also escalated. The Department of Health is requesting nearly \$20,000,000 in emergency appropriations for additional outplacement services and residential placement for this population.

Your Committee further finds that school-based mental health centers can provide more effective and less costly services for Felix-class children needing less extensive and intensive mental health interventions. This has been demonstrated by centers in New Haven, Connecticut, Dallas, Texas and Baltimore, Maryland. Savings have resulted from:

- (1) Lower overhead, since buildings do not need to be purchased or rented;
- (2) No "down time" since school clinicians may see up to ten students daily compared to three to five youths seen in community-based mental health centers; and
- (3) Less need for outreach for youth since services are provided on-site to students in school.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 82 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Takamine and Yonamine.
(Representative Moses voted no.)

SCRep. 1176-98 Education on H.C.R. No. 120

The purpose of this concurrent resolution is to establish a Joint Legislative Committee on Early Childhood Education and Care to encourage the development and implementation of responsive policies that integrate early childhood education, care, protection, and health services.

Specifically, this Concurrent Resolution directs the Joint Legislative Committee on Early Childhood Education and Care to:

- (1) Support the Good Beginnings Alliance in the implementation of its duties as delineated in the Good Beginnings Early Childhood Education and Care Master Plan;
- (2) Recommend reallocation of public funds for early childhood education and care;
- (3) Encourage maintaining current levels of funding for early childhood programs and support services;
- (4) Encourage integrated and responsive policy and program plans that focus on the period before birth through the first five years of life;
- (5) Support the development of a data collection system to track outcomes and program effectiveness;
- (6) Support the State's interdepartmental efforts to implement Title XXI of the Social Security Act (State Children's Health Insurance Program) to assure health care coverage for all children in the State;
- (7) Encourage expanding incrementally the capacity of intensive home visitation services through Healthy Start, or other appropriate programs, to meet apparent needs;
- (8) Support the development of a comprehensive, community support system that will:
 - (A) Allow for local decision-making and embrace collaborative approaches to community engagement and oversight;
 - (B) Place a strong focus on achieving results; and
 - (C) Facilitate the creation of flexible financing systems and strategies that link funding to results;

- (9) Adopt a result-based accountability system using benchmarks and indicators to:
- (A) Set goals to focus and coordinate efforts across agencies, between higher and lower levels of government, and between public and private groups at all levels of government;
 - (B) Track outcomes to provide for informed policy decisions impacting programs and resource allocation; and
 - (C) Evaluate programs and policies to determine which programs and policies are effective, and to shed light on reasons for the successes or failures;
- and
- (10) Submit an interim report to the Legislature prior to the convening of the Regular Session of 1999, and a final report to the Legislature prior to the convening of the Regular Session of 2000.

Your Committee received testimony in support of this concurrent resolution from the Department of Education and the Good Beginnings Alliance. Testimony in opposition to this concurrent resolution was submitted by the Department of Human Services.

Your Committee finds that the Legislature must "lead the way" if it expects state government to implement responsive policies that integrate early childhood education, care, protection, and health services. Between the bureaucratic inertia and "turf fights", it is too much to hope that the executive agencies alone will develop these policies in time to stave off additional litigation and possible fines under the *Felix v. Cayetano* consent decree, or some other lawsuit alleging negligence on the part of the State (e.g., failure to protect children from physical abuse) or a violation of the right to equal protection under the law (e.g., failure to provide services to children with disabilities).

Your Committee has amended this concurrent resolution to clarify that the Joint Legislative Committee on Early Childhood Education and Care is to include one member each from the "minority" party, rather than the "Republican" party, in the House of Representatives and the Senate.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 120, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 120, H.D. 1.

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

SCRep. 1177-98 Education on H.C.R. No. 146

The purpose of this concurrent resolution is to encourage the Board of Education to renovate the Thelma Parker Memorial Public and School Library in an expeditious manner to alleviate overcrowding.

The Board of Education testified in support of the purpose and intent of this concurrent resolution.

Your Committee finds that the Thelma Parker Memorial Public and School Library is a valuable and well-used resource for the Waimea community. The facilities, however, are strained from the size of the collection and the volume of use. Given the unique architecture of the library, expansion of the usable space could be accomplished in a cost-efficient and aesthetically pleasing manner, and thereby help relieve the overcrowding.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 146 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1178-98 Education on H.C.R. No. 153

The purpose of this concurrent resolution is to request the Department of Education (DOE) to establish a Junior Reserve Officer Training Corps (JROTC) program at Ka'u High and Pahala Elementary Schools on the Big Island.

Concurring with the intent of the measure, DOE testified that the measure should be amended to eliminate references to Pahala Elementary School since JROTC is limited to students in grades 9 through 12. DOE also noted that Ka'u High School may not be able to enroll the minimum number of students for a separate JROTC program at the school, but that it was willing to explore options such as having Ka'u students participate in JROTC as part of an extension of the Hilo or Konawaena High School programs.

JROTC has been successful in instilling a sense of purpose, self-worth, and commitment in Hawaii's youth. These qualities are the foundation for success in academics and success in life. Your Committee endorses the concept of making JROTC available to as many students as possible.

The measure has been amended by:

- (1) Deleting references to Pahala Elementary School in the body and title;
- (2) Requesting DOE to offer JROTC to the students at Ka'u High School rather than requesting the establishment of a program there; and

- (3) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 153, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 153, H.D. 1.

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

SCRep. 1179-98 Education on H.C.R. No. 163

The purpose of this concurrent resolution is to request the Department of Education to allow students in the Youth Leadership Demonstration Project on the island of Hawaii the flexibility to utilize general funds in a manner that would generate additional sources of revenues to financially sustain future student programs.

Your Committee finds that for fiscal biennium 1997-1999 general funds were appropriated in the executive budget act to establish a Youth Leadership Demonstration Project in the Hilo, Hamakua, and Kohala communities on the island of Hawaii. Students at schools in these communities proposed using a portion of the appropriated funds to generate additional revenues for the project through fundraising activities such as holding a concert.

Your Committee is impressed by the entrepreneurial spirit and initiative shown by these students in the leadership demonstration project. The students' proposal serves as evidence that the project is a success and that our youth can play meaningful and effective roles in planning and developing programs that directly affect their lives. Your Committee wholeheartedly supports their efforts.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 163 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1180-98 Education on H.C.R. No. 169

The purpose of this concurrent resolution is to request the Hawaii High School Athletics Association to consider gender and geographic equity issues in high school athletics tournaments.

This concurrent resolution also requests the Board of Education to consider the composition of the Board of the Hawaii High School Athletics Association, specifically, whether adequate representation and marketing expertise exists on the Board of the Hawaii High School Athletics Association.

Your Committee finds that fairness issues surround the operations of the Hawaii High School Athletics Association. Questions exist over whether the Association exercises gender and geographical preferences, and whether the Board of the Association is able, given its present composition, to fully and knowledgeably exercise its responsibilities and adequately represent the Association as a whole and the beneficiaries served by the Association. However, since the Association is an independent non-profit 501c(3) organization, it would not be appropriate for the Board of Education to review the composition of a private Board.

Your Committee has amended this concurrent resolution by having the Hawaii High School Athletics Association itself, rather than the Board of Education, review the composition of the Board of Directors of the Association.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 169, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 169, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Santiago, Takai and Halford.

SCRep. 1181-98 Education on H.C.R. No. 174

The subject of this concurrent resolution is the secondary school Peer Education Program (PEP) test project, implemented by the Department of Education (DOE) in 1998, which provided peer counseling and assistance to teens for the purpose of encouraging them to make positive life choices, and which was discontinued by the DOE due to current fiscal restraints. This concurrent resolution requests that the Legislative Reference Bureau:

- (1) Conduct a study to determine the effect of PEP on participating teens;
- (2) Survey other jurisdictions to identify and describe similar programs;
- (3) Determine the most appropriate state agency to administer a peer education program; and
- (4) Develop alternatives to state funding of a peer education program.

The Department of Health testified in support of this concurrent resolution. The DOE testified that it would be valuable to study the effectiveness of PEP, and was willing to make data available for this purpose. However, the DOE felt that a study at this time was unnecessary because it might be too early in the life course of study participants for any PEP effects to be observed.

Your Committee believes that these difficult economic times will place stress on families, which in turn will have a negative impact on teens. Especially in times like these, it is important that the community provide support to teens that helps to shape their attitudes and guide their decisions, and which moves them away from drugs, alcohol and crime, toward positive and productive lives. Your Committee believes that programs which provide this kind of support are important enough that, lacking state funding sources, a search for alternative sources of funding should be undertaken in the hope that such programs may be replaced as quickly as possible. In addition, the State should be poised to implement an even more effective program. Even if a peer education program cannot be currently funded, the intervening time should be used to obtain information needed to shape the most effective program possible.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 174 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1182-98 Education on H.C.R. No. 183

The purpose of this concurrent resolution is to expand the use of foreign languages in Hawaii by encouraging residents to learn a second language and requesting the Department of Education to emphasize foreign languages.

An individual submitted testimony in support of the measure. The Department of Education concurred with its intent.

The ability to communicate in more than one language benefits the individual as well as society. Hawaii's future is tied to its ability to link itself with the Asia-Pacific region, and a multilingual society will facilitate this linkage.

Your Committee would like to keep alive the substance of this measure, while introducing a new idea, that of establishing a policy ensuring the return of textbooks in Hawaii's public schools. In recent years, the incidence of unreturned textbooks has risen to troublesome proportions, perhaps because the consequences for students who do not return textbooks are minimal. Consequently, those students who are subsequently scheduled to use the unreturned textbooks must suffer. The Department of Education should establish a policy to ensure that textbooks are returned in a timely manner.

Your Committee would like to insert the textbook policy concept in this measure. In turn, the substance of this measure is being transferred to H.R. No. 56, which was also heard by your Committee. The existing substance of H.R. No. 56 is not needed since it is duplicated by H.C.R. No. 207, which was approved by your Committee.

Your Committee has amended this concurrent resolution by deleting its substance and replacing it with a request for the adoption of a policy that ensures the return of textbooks in Hawaii's public schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 183, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 183, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Takamine and Yonamine.
(Representative McDermott voted no.)

SCRep. 1183-98 Labor and Public Employment on H.C.R. No. 72

The purpose of this concurrent resolution is to request the Director of Labor and Industrial Relations to ensure that adequate resources are made available for training grants for the tourism and hospitality industry on the neighbor islands.

The Department of Labor and Industrial Relations (DLIR) commented on this measure.

Upon further consideration, your Committee has amended this measure to clarify that DLIR is encouraged to continue to ensure resources are made available for training grants for the neighbor islands' tourism industry.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 72, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 72, H.D. 1.

Signed by all members of the Committee except Representatives Case, Suzuki and Marumoto.

SCRep. 1184-98 Culture and the Arts on H.C.R. No. 130

The purpose of this concurrent resolution is to request the State Foundation on Culture and the Arts to consult with the Honolulu Academy of Art in forming a public-private partnership for the establishment of an International Center for the Arts in Honolulu.

This concurrent resolution is based on House Bill No. 976, H.D. 2, Regular Session of 1998, which appropriated funds for an International Center for the Arts. The funds to form a public-private partnership that would assist the Honolulu Academy of Arts with the expansion and renovation required to establish the International Center for the Arts are not available this year. Unfortunately, that public-private partnership would have provided a permanent exhibition space for the State art collection.

Nevertheless, your Committee finds that having a permanent exhibition space for the state art collection is a goal that should be pursued. Your Committee also finds that establishing a permanent exhibition space may still be feasible through other means.

Your Committee received testimony in support of this measure from the Office of the Lieutenant Governor, the Honolulu Academy of Arts, the Hawaii Watercolor Society, and the Hawaii Consortium for the Arts.

The State Foundation on Culture and the Arts submitted testimony reporting preliminary stages of planning a State facility for a gallery for the state art collection and made no comment on this concurrent resolution.

Your Committee finds that culture and the arts is an important aspect of the heritage of our community, as well as an important visitor destination attraction. A permanent exhibition space will allow both residents and visitors to view the State art collection on a regular basis that will enhance the reputation of Hawaii's artists and Hawaii.

Your Committee has amended this concurrent resolution by amending the title, deleting references to the Honolulu Academy of Arts and the International Center for the Arts, and making other amendments that request the State Foundation on Culture and the Arts to focus upon the establishment of a permanent exhibition space for the state art collection through all possible means.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 130, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 130, H.D. 1.

Signed by all members of the Committee except Representative Takamine.

SCRep. 1185-98 Education on H.C.R. No. 157

The purpose of this concurrent resolution is to convene a joint state and county task force to develop a master plan for improvements to Manoa Recreational Park and Manoa Elementary School.

The Department of Education (DOE) testified that since Manoa Elementary School is heavily used by park users, improvements made to both the park and the school would address many concerns shared by both public facilities such as inadequate bathroom facilities in the park, inadequate parking, poor night lights, and lack of security. DOE further testified that it would continue to work with Manoa District Park personnel to meet the needs of the community and the public.

Your Committee finds that Manoa Recreational Park and Manoa Elementary School are heavily used by members of the community and those outside the community, and that users of both facilities would benefit immensely from improvements.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 157 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1186-98 Education on H.C.R. No. 123

The purpose of this concurrent resolution is to request the Department of Health (DOH) to make the school-based health clinic program permanent, restore funding to the program, expand it to reach other high school campuses, and work with the Department of Education (DOE) to integrate the program into the Comprehensive Student Support System (CSSS).

The Hawaii Congress of Parents, Teachers, and Students submitted testimony in support of the measure. DOH and DOE supported the intent of the measure.

Your Committee finds that those school-based health clinics that operate in the public schools receive external funding and operate without state funds. According to DOH, it cannot restore State funding or expand school-based health clinics without impacting other priorities.

Your Committee supports initiatives by each school to establish school-based health clinics and to determine the specific mix of services available at the school's clinic. At the same time, your Committee is well aware of the State's acute fiscal condition.

The concurrent resolution has been amended by:

- (1) Asserting that CSSS consists of a coordinated array of school-initiated programs and services capable of meeting the needs of students, rather than a coordinated array of instructional programs and services that is capable of meeting the educational needs of students;
- (2) Acknowledging that the needs of students listed on page 2, lines 1 through 16 is not exhaustive;
- (3) Asserting that parental involvement and notification are required rather than respected;
- (4) Deleting the assertion that the program focus on access to primary health care regardless of community deems sentiment;

- (5) Clarifying that DOH is requested to make the program permanent through external resources;
- (6) Requesting DOE to assist individual schools to facilitate the development of school-based health clinics, and amending the title to reflect this revision; and
- (7) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 123, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 123, H.D. 2.

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

SCRep. 1187-98 Agriculture and Tourism on H.C.R. No. 46

The purpose of this concurrent resolution is to encourage the promotion and marketing of Hawaii-grown and Hawaii-made agricultural products by requesting the Hawaii Visitors and Convention Bureau (HVCB) and the Hawaii Hotel Association (HHA), in conjunction with the Department of Agriculture (DOA), the Department of Business, Economic Development, and Tourism (DBEDT), the Hawaii Farm Bureau Federation (HFBF), and other agricultural commodity groups, to create an action plan to promote and market these products.

DOA, the Office of Hawaiian Affairs, the Agribusiness Development Corporation (ADC), HFBF, and the Hawaii Food Industry Association testified in support of this measure. DBEDT testified in support of the intent of this measure.

Your Committees recognize the immense economic benefits to the State, particularly to its agricultural and tourism industries, through cooperative efforts between the public and private sectors to promote and market locally-grown and locally-made agricultural products. Your Committees believe that for this action plan to be comprehensive and effective, the plan must include a financial strategy for promoting and marketing these agricultural products.

After careful consideration, your Committees have amended this concurrent resolution by:

- (1) Including ADC in the development of the action plan;
- (2) Specifying that the action plan include:
 - (a) A financial plan for promoting and marketing Hawaii-grown and Hawaii-made goods including but not limited to in-kind and cash contributions by the public and private sectors; and
 - (b) The feasibility of establishing a "one-stop" site to showcase and sell Hawaii-grown and Hawaii-made goods;
- (3) Requesting that DOA submit a report of the action plan to the Legislature prior to the 1999 Regular Session;
- (4) Specifying that a certified copy of the concurrent resolution be transmitted to the Executive Director of ADC; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Agriculture and Tourism that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 46, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 46, H.D. 1.

Signed by all members of the Committees except Representatives Ito, White, Aiona, Fox and Halford.

SCRep. 1188-98 Agriculture on H.C.R. No. 240

The purpose of this concurrent resolution is to recognize the organic industry as an agricultural commodity group.

The Department of Agriculture testified in support of the measure. The Hawaii Farm Bureau testified in support of the intent of the measure. The Hawaii Agriculture Research Center and RESCUE Hawaii commented on the measure.

It is your Committee's intent to dispel any misperceptions between organic and conventional foods, particularly that organic food is healthier, more environmentally friendly, and better tasting than food that is conventionally grown.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Deleting the WHEREAS clause that states that increased interest in organic products has come from an increased awareness of the human and environmental health benefits associated with organics; and
- (2) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 240, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 240, H.D. 1.

Signed by all members of the Committee except Representatives Abinsay, Takai and Halford.

SCRep. 1189-98 Public Safety and Military Affairs on H.C.R. No. 90

The purpose of this concurrent resolution is to request Hawaii's congressional delegation to support legislation and other action to provide equity to Filipino-American Veterans who served in the Armed Forces of the United States or joined the Philippine Scouts before October 6, 1945.

Your Committee finds that more than 100,000 Filipinos volunteered for the Philippine Commonwealth Army and fought alongside the United States armed forces. Under the Executive Order issued by President Roosevelt in 1941, Filipinos were entitled to full veterans' benefits. Yet Congress renounced the order by enacting the Recission Act of 1946, which declared the service performed by the Philippine Commonwealth veterans as not "active service," thus denying them many benefits to which they were entitled.

Your Committee finds that recent action has been taken by the congressional delegation of our State, but urge for continued support in legislation.

Your Committee received voluminous testimony in favor of H.C.R. No. 90 by WWII Fil-Am Veterans organization - Hawaii Chapter. The Director of the Office of Veterans Services presented testimony in support of the purpose and intent of this measure. The Representative from the 16th District testified in urgent support of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Amending the title to read: "REQUESTING CONTINUED SUPPORT BY HAWAII'S CONGRESSIONAL DELEGATION ON LEGISLATION AND OTHER ACTION TO PROVIDE EQUITY TO FILIPINO-AMERICAN VETERANS WHO SERVED IN THE ARMED FORCES OF THE UNITED STATES OR JOINED THE PHILIPPINE SCOUTS BEFORE OCTOBER 6, 1945"; and
- (2) Urging Hawaii's congressional delegation for its continued support in legislation and other action for Filipino veterans equity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 90, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 90, H.D. 1.

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

SCRep. 1190-98 Transportation on H.C.R. No. 149

The purpose of this House concurrent resolution, as received by your Committee, is to urge the Governor and the Department of Transportation to promote Hawaii as a test site in the flight 2000 demonstration project.

Your Committee finds that the flight 2000 demonstration project employs new technology and advanced communications that would upgrade Hawaii's air traffic management infrastructure. Your Committee further finds that possible budget constraints may diminish Hawaii's role as a test site. Your Committee also finds that the governor already strongly supports the flight 2000 demonstration project, and that the resolution would be more effective if it were directed to the Federal Aviation Administration (FAA) and the appropriate Congressional committees.

Testimonies in support of this measure were heard from the Office of the Lieutenant Governor and the Department of Transportation.

Your Committee has amended this House concurrent resolution by:

- (1) amending the title of the resolution to: "STRONGLY URGING THE FEDERAL AVIATION ADMINISTRATION, THE U.S. SENATE COMMITTEE ON COMMERCE SCIENCE AND TRANSPORTATION AND THE U.S. HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE TO PROMOTE ACTIONS TO ENSURE HAWAII'S ROLE AS A TEST SITE IN THE FLIGHT 2000 DEMONSTRATION PROJECT";
- (2) deleting all references that direct the House concurrent resolution to the Governor and the Department of Transportation;
- (3) inserting the phrase "the Federal Aviation Administration, the U.S. Senate Committee on Commerce, Science and Transportation and the U.S. House Committee on Transportation and Infrastructure" to page 2, lines 34-37, page 2, lines 41-42, and page 2, lines 46-50; and
- (4) making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 149, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 149, H.D. 1.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 1191-98 Education and Higher Education on H.C.R. No. 212

The purpose of this concurrent resolution is to request the Department of Education (DOE) and the University of Hawaii (UH) to invite input from the private sector in formulating curriculum and to submit reports to the Legislature no later than twenty days prior to the convening of the Regular Sessions of 1999 and 2000.

Your Committees received testimony supporting the intent of this concurrent resolution from DOE and from UH.

Your Committees believe that public education must be responsive to the needs of society, and input from the public sector will ensure that DOE and UH are kept informed about the knowledge, skills, and attitudes needed to succeed in the workforce.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 212 and recommend its adoption.

Signed by all members of the Committees except Representatives Arakaki, Takamine, Yonamine and Halford.

SCRep. 1192-98 Labor and Public Employment on H.C.R. No. 84

The purpose of this measure is to request all State employees to use the word "aloha" as an official greeting when meeting the public or answering phone calls from the public.

The Department of Business, Economic Development, and Tourism, the Office of the Mayor, the Office of Hawaiian Affairs, the Honolulu City and County Council, and the Aloha Preservation Association testified in support of this measure.

Your Committee finds that the "Aloha Spirit" is an intangible but yet very real part of Hawaii's unique character. It is one of the key factors that draw millions of visitors to Hawaii and distinguishes our State as a premiere tourist destination. Your Committee believes this effort to promote the Aloha Spirit will both strengthen Hawaii's visitor industry and improve the quality of life for everyone.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 84 and recommends its adoption.

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

SCRep. 1193-98 Ocean Recreation and Marine Resources on H.C.R. No. 114

The purpose of this concurrent resolution is to:

- (1) Request the Sea Grant College Program of the University of Hawaii to proceed with its offshore aquaculture demonstration experiments at sites it deems appropriate;
- (2) Authorize the Department of Land and Natural Resources to issue a permit or lease for these demonstration experiments; and
- (3) Request the Department of Health to allow the experiment to occur subject only to the submittal of a report on significant changes in water quality or environmental impacts associated with fish production in an offshore cage system.

Your Committee received testimony in favor of this measure from the University of Hawaii Sea Grant College Program and the Department of Land and Natural Resources.

Your Committee recognizes that open ocean aquaculture affords great benefit for the State in terms of applied research and commercial development potential. Besides the economic benefits of supporting aquaculture ventures and local job markets, the development of mass culture hatchery technologies through open ocean aquaculture would also contribute to restoring depleted ocean species.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 114, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Yoshinaga and Meyer.

SCRep. 1194-98 Education on H.C.R. No. 7

The purpose of this concurrent resolution is to support recommendations made by the Economic Revitalization Task Force's private sector members to provide funds for computer equipment for public schools.

Your Committee received testimony in support of this concurrent resolution from the Department of Education, Department of Business, Economic Development, and Tourism, Hawaii Government Employees Association, Hawaii State Teachers Association, Hawaii Congress of Parents, Teachers and Students, Hawaii Business Roundtable, and the Governor's Economic Revitalization Task Force.

Your Committee finds that the current economic downturn in Hawaii places the students in public schools at risk of losing their place in developing technological skills and knowledge if there is an insufficient number of computers available for classroom use. In order to keep pace with the widespread use of computers in the workplace, students must

be computer literate. Students who graduate without these computer skills may be unable to find jobs or will not be able to advance up the job ladder. Your Committee recognizes that when students are exposed to computers and their uses at a young age, there will be less resistance to learning and imagining other related computer skills, whether in math, business applications, or writing. For these reasons, the Department of Education's goal of making every eighth grade student computer literate is both necessary and vital to the State's economic growth.

Your Committee amended this concurrent resolution by adding more supporting whereas clauses to explain the importance of computer literacy among Hawaii's public school students, and made some technical, nonsubstantive corrections.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 7, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 7, H.D. 1.

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

SCRep. 1195-98 Education on H.C.R. No. 207

The purpose of this concurrent resolution is to:

- (1) Encourage the Kihei High School Community Committee to continue its efforts to establish a charter school in Kihei, Maui, centered on systems technology and based on public-private partnerships; and
- (2) To request the Department of Education (DOE), the Department of Business, Economic Development, and Tourism, the High Technology Development Corporation, the Maui Community College, the Hawaii Government Employees' Association, the United Public Workers, the Hawaii State Teachers Association, the Maui Chamber of Commerce, and the Maui County Council to cooperate with the Kihei High School Community Committee in its efforts to establish a charter school centered on systems technology.

Your Committee received comments on this concurrent resolution from DOE.

Your Committee finds that Act 272, Session Laws of Hawaii 1994, established student-centered schools within the public school system to allow individual school communities to implement alternative administrative structures and programs based upon the consensus of the school's faculty, parents, and students.

Charter schools are alternative structures established through partnerships between the public and private sectors and can be used to leverage public and private resources to construct specially-designed buildings and acquire specially-designed equipment to support specialized curricula and programs.

One charter school proposal is presently being developed by a community group in Kihei, Maui, to establish a high school in Kihei, within the Maui departmental school district, by the year 2000 with an emphasis on systems technology. The charter school would be affiliated with the Maui Research and Technology Center, the Maui High Performance Computing Center, and DOE.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 207 and recommends its adoption.

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

SCRep. 1196-98 Culture and the Arts on H.C.R. No. 226

The purpose of this resolution is to request the State Foundation on Culture and the Arts to assist the Philippine Centennial Celebration Coordinating Committee/Hawaii with selecting an appropriate site for a bronze statue of Dr. Jose Rizal.

The following organizations testified in support of this resolution: the Philippine Centennial Celebration Committee/Hawaii, Pamantasan Council of the University of Hawaii, the Filipino-American Historical Society of Hawaii, the Oahu Filipino Community Council and the Hawaii Chapter of the Japanese American Citizens League.

The State Foundation on Culture and the Arts also provided testimony, stating that it does not have the sole authority to designate a site for a piece of artwork, if the potential site is under State or County jurisdiction. The organization recommended that the Philippine Centennial Celebration Coordinating Committee/Hawaii work with the appropriate State departments and County agencies that administer and maintain such projects.

Accordingly, your Committee has amended this resolution by requesting that the Department of Land and Natural Resources, the City and County of Honolulu Department of Parks and Recreation, and private organizations assist with designating an appropriate site for the statue of Dr. Jose Rizal.

Technical, nonsubstantive amendments were also made to the resolution.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 226, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 226, H.D. 1.

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

SCRep. 1197-98 Energy and Environmental Protection on S.B. No. 2056

The purpose of this bill, as received, is to provide greater noise protection for residences surrounding the Puna Geothermal Venture (PGV) facility by establishing noise standards consistent with levels permitted on lands categorized as class A zoning districts under the Community Noise Control Rules.

The Department of Health supported the intent of this measure but deferred to PGV regarding its impact on current operations. PGV, the Department of Business, Economic Development, and Tourism, the County of Hawaii, and the Hawaii Island Geothermal Alliance testified in opposition to this measure. The Hawaiian Electric Company, and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company, and the Pacific Resource Partnership offered comments.

Your Committee has amended this bill by:

- (1) Deleting its substance and inserting the substance of H.B. No. 2162, relating to the exemption of small construction projects from noise permit requirements, which your Committee heard on February 8, 1997;
- (2) Specifying that a dwelling or a project less than \$300,000 in value shall be exempt from noise permit requirements;
- (3) Excluding from the exemption any construction project which:
 - (a) Emits noise levels that exceed the State Community Noise Code levels during all evening hours of the week as well as during the daytime hours on Sundays and holidays; or
 - (b) Utilizes hoe-rams or pile drivers;
 and
- (4) Providing definitions for "construction" and "dwelling".

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2056, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2056, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Goodenow, Garcia and Tarnas.

SCRep. 1198-98 Consumer Protection and Commerce on S.B. No. 2941

The purpose of this bill is to raise the maximum production limit for brewpubs from five thousand to ten thousand barrels of malt beverages annually.

Supportive testimony was submitted by the Kona Brewing Company, the Hawaii Restaurant Association, and a consumer of brewpub products.

Your Committee believes that giving brewpubs more regulatory flexibility in selling and producing their products will enable them to expand and develop their businesses, meet consumer demand for their product, and compete with out-of-state brewers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2941, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Tom, Yoshinaga and Whalen.

SCRep. 1199-98 Consumer Protection and Commerce on S.B. No. 2822

The purpose of this bill is to amend the State's Lemon Law by:

- (1) Defining the term "settlement" as used within Chapter 481I, Hawaii Revised Statutes (HRS);
- (2) Requiring that a manufacturer who supplies a consumer with a replacement motor vehicle is responsible for the vehicle's general excise tax, license, and registration fees;
- (3) Providing that the failure of an arbitrator to render a decision within 45 days because of unforeseen circumstances does not render a subsequent decision void; and
- (4) Providing that a motor vehicle returned to a manufacturer or dealership as a result of a judgment, arbitration, or settlement, may not be sold, leased, or auctioned until its defect is corrected, and that the vehicle's sale, lease, or auction is subject to Lemon Law disclosure and warranty requirements.

The Department of Commerce and Consumer Affairs and the Hawaii Automobile Dealers Association testified in favor of the bill.

Your Committee finds that this bill will provide consumers of motor vehicles with greater protection and fairer procedures.

Your Committee has amended this bill by replacing its contents with the language of H.B. No. 2811, H.D.1, that earlier passed the House. As amended, the bill makes the following technical changes:

- (1) Removes language from the definition of "replacement motor vehicle" and places it within section 4811-3(b), HRS; and
- (2) Replaces the phrase "general excise tax, license, and registration fees" with the phrase "general excise tax, and license and registration fees".

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2822, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2822, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Garcia, Tom, Yoshinaga, Pendleton and Whalen.

SCRep. 1200-98 Consumer Protection and Commerce on S.B. No. 2135

The purpose of this bill is to continue regulating activity desks and activity providers by repealing the sunset dates from Act 214, Session Laws of Hawaii 1990 (Act 214) and Act 231, Session Laws of Hawaii 1992 (Act 231).

The Department of Commerce and Consumer Affairs commented on the bill. Supportive testimony was received from the Hawaii Activities and Tours Association and the Activity Owners Association of Hawaii.

Your Committee believes that by repealing the sunset provisions of Act 214 and Act 231, safeguards which ensure that viable activity desks and activity providers are providing quality services will continue to be provided. This measure will also provide continuing protection for activity providers from potential irregularities in the commercial operation of activity desks.

Your Committee has amended this bill by replacing its substance with the language of H.B. No. 3290, H.D. 1, which was earlier reported out of your Committee on Consumer Protection and Commerce. As amended, the bill is technically different from the bill as received.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2135, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2135, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Garcia, Tom, Yoshinaga, Pendleton and Whalen.

SCRep. 1201-98 Consumer Protection and Commerce on S.B. No. 2132

The purpose of this bill is to authorize the Liquor Commission to adopt rules to allow registered educational or charitable nonprofit organizations, political candidates, or political organizations to sell liquor intended for off-site consumption for fundraising purposes.

Supportive testimony was received from the Departments of Liquor Control for the counties of Maui and Hawaii, the Aloha Society of Association Executives, the Hawaii Hotel Association, and the Hawaii Restaurant Association.

It is your Committee's understanding that nonprofit organizations commonly receive liquor as donations in lieu of cash. Your Committee finds that the provisions in this measure are necessary to allow the sale or auction of these liquor donations for fundraising purposes, especially if the organization does not wish to allow liquor consumption at the fundraising event, or if the liquor being sold or auctioned is normally collected for consumption on special occasions--for example, rare bottles of wine.

Your Committee believes that liquor sales or auctions for fundraising purposes most commonly occur among nonprofit organizations and has consequently removed political candidates and political organizations from the exemption created by this bill. Under this bill, nonprofit organizations will be able to sell liquor intended for off-site consumption and in original manufacturer packaging under a one-day special licensing for fundraising events.

Your Committee has amended this bill by replacing its contents with the language of H.B. No. 3467 H.D. 1, earlier passed by the House. As amended, this bill:

- (1) Does not contain a findings and purpose section;
- (2) Removes the exemption for political candidates and political organizations from licensing provisions for the sale or auction of liquor for fundraising purposes;
- (3) Provides that limited liability companies are subject to the intoxicating liquor licensing and regulatory provisions; and

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2132, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2132, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Tom, Yoshinaga and Whalen.

SCRep. 1202-98 Consumer Protection and Commerce and Judiciary on S.B. No. 2136

The purpose of this bill is to allow the counties to establish by charter a liquor control adjudication board that is authorized to determine complaints and violations of, and impose penalties for, violations of State liquor laws and County liquor rules.

Supportive testimony was submitted by the Department of Liquor Control for the counties of Hawaii and Maui, the Hawaii Hotel Association, the Hawaii Restaurant Association, and the Anheuser-Busch Companies.

Testimony indicated that this measure will provide recognition of the liquor control adjudication boards already established by County Charter, and establish their authority to conduct hearings and impose penalties for violations of State liquor laws and County liquor rules.

Your Committees heard and passed a substantially similar measure, H.B. No. 3181, H.D. 1, and have amended this bill by replacing its contents with the language of the House bill. As a result, this bill has been specifically amended to:

- (1) Amend section 281-93, Hawaii Revised Statutes, (HRS) to require that the Liquor Commission or the Liquor Control Adjudication Board report to the Prosecutor a license revocation or suspension for a law violation;
- (2) Amend section 281-101.4, HRS, to allow 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; and
- (3) Make technical, nonsubstantive revisions for purposes of clarity, style, and consistency.

Your Committees have further amended the bill by deleting an amendment to section 281-17(11), HRS, that would have expanded the authority of the County Liquor Commissions to prescribe rules establishing employment terms and conditions for employees of licensees. The proposed amendment is beyond the scope of the title of this measure.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2136, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2136, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Tom, Cachola, Hiraki, Yoshinaga, Thielen and Whalen.

SCRep. 1203-98 Consumer Protection and Commerce and Judiciary on S.B. No. 2805

The purpose of this bill is to make all Public Utility Commission (PUC) orders appealable directly to the Hawaii Supreme Court by an aggrieved party in a contested case proceeding.

The PUC, the Department of Commerce and Consumer Affairs, AT&T, GTE Hawaiian Tel, Kauai Electric, and The Gas Company testified in support of the bill.

Your Committees find that the decision by the Hawaii Supreme Court in Peterson v. HELCO, Inc., 85 Haw. 322 (1997), which held that only rate-related orders of the PUC were appealable directly to the Supreme Court and that other PUC orders must be appealed to the Circuit Court prior to an appeal to the Supreme Court, is not aligned with the practices of the PUC and illustrates that the statutes regarding the appeals process of PUC orders require clarification. This measure provides that all final orders issued by the PUC under Chapter 269, Hawaii Revised Statutes (HRS), may be appealed by an aggrieved party in a contested case proceeding directly to the Hawaii Supreme Court. This measure will help both utility companies and consumers by expediting the appeal process for PUC decisions.

Your Committees have amended this bill by deleting the amendments to section 269-16, HRS, except for those that:

- (1) Repeal subsection (f); and
- (2) Redesignate subsection (g) as subsection (f).

Your Committees believe that these revisions to the bill are necessary because the majority of the amendments to section 269-16, HRS, relate to matters beyond the scope of the bill's title, and their inclusion may render this measure constitutionally defective.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2805, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2805, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Case, Garcia, Tom, Yamane and Yoshinaga.

SCRep. 1204-98 Labor and Public Employment on S.B. No. 2495

The purpose of this bill is to exempt airline employees of qualified airlines from the hour and wage law for the sole purpose of family and medical leaves and for other valid reasons consistent with chapters 378 and 398, Hawaii Revised Statutes.

United Airlines, the United Airlines Honolulu Reservations Department, the United Airlines Sales & Service Representatives, the United Airlines Ticket Sales Representatives, and individual employees of United Airlines testified in opposition to S.B. No. 2495, S.D. 1, preferring instead the language contained in the House of Representative's version of the measure, H.B. 3132, H.D. 1. The Department of Labor and Industrial Relations, IAMAW Hawaiian Airlines, the Hawaii Nurses' Association, and several individuals opposed this measure. The Hawaii State AFL-CIO provided comments.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting the substance of H.B. 3132, H.D. 1, which was passed out of the House of Representatives earlier this session after a public hearing before this Committee. As amended, this bill is the result of management and labor working cooperatively to adopt a bill that benefits both the airline carriers and their employees.

Your Committee finds that passage of this bill would enhance the efficiency of Hawaii's local airline industry. Giving airline employees the flexibility to voluntarily work more than their assigned hours per week would prevent carriers from incurring excessive overtime costs. Further, voluntary shift trading usually results in a decline in sick leave and in increased employee morale.

Your Committee also finds that the other forty-nine states in the Union have enacted similar laws to accommodate airline carriers and their employees.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2495, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2495, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Takumi.

SCRep. 1205-98 Consumer Protection and Commerce and Judiciary on H.C.R. No. 74

The purpose of this concurrent resolution is to support the State's autonomy in legislating automobile insurance reform.

Specifically, this measure expresses the State's support of the National Conference of Insurance Legislators (NCOIL) by:

- (1) Reaffirming the State's commitment to State regulation of the business of insurance and its belief in the ability of each state to adopt or amend no-fault laws; and
- (2) Declaring the State's opposition to federal auto choice no-fault insurance bills, United States Senate Bill No. 625 and United States House Resolution No. 2021.

Supportive testimony was received from the Department of Commerce and Consumer Affairs, the Consumer Lawyers of Hawaii, the Hawaii Independent Insurance Agents Association, and several individuals.

NCOIL has supported initiatives aimed at enactment of no-fault laws at the state level in the belief that each state can tailor its laws to meet the particular needs of the policyholders within its own jurisdiction. However, testimony indicated that federal auto choice no-fault legislation is pending that would preempt state automobile insurance laws or impose federal standards on all states. Your Committees believe that such federal legislation is contrary to the principle of states' rights and that each state should be allowed to regulate its own business of insurance.

This State instituted automobile insurance reform when it enacted Act 251, Session Laws of Hawaii 1997, and the process of reform continues today. The enactment of federal no-fault legislation that preempts state law would represent a retreat from the gains made pursuant to Act 251.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 74 and recommend its adoption.

Signed by all members of the Committees except Representatives Case, Garcia, Tom, Yamane and Yoshinaga.

SCRep. 1206-98 Judiciary on H.C.R. No. 55

The purpose of this concurrent resolution is to request that the Superintendent of Education submit a report to the Legislature in the status of effort to promote fairness and equity for Filipino-Americans.

The Department of Education, the Hawaii Civil Rights Commission, and the University of Hawaii, College of Education testified in support of the measure.

Your Committee finds that although Filipino students constitute the largest ethnic group in the community colleges in Hawaii, their rate of transfer to the University of Hawaii at Manoa and the University of Hawaii at Hilo is low, and Filipinos continue to be underrepresented at these two campuses.

Your Committee believes that this measure will assist in the effort to raise the levels and rates of transfer by Filipino students to the upper campuses of the University of Hawaii system.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 55, H.D. 1 and recommends its adoption.

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

SCRep. 1207-98 Judiciary on H.C.R. No. 83

The purpose of this concurrent resolution is to request that the Department of Transportation, in coordination with the Department of Business, Economic Development and Tourism, the United States Immigration and Naturalization Service, the United States Customs Service, and the Hawaii Airlines Association, seek out and assess technologies that will expedite the customs and immigration clearance process at the Honolulu International Airport.

The Airlines Committee of Hawaii and the High Technology Development Corp. testified in support of the measure. The Department of Transportation and the Department of Business, Economic Development, and Tourism commented on the measure.

Your Committee finds that a majority of arriving overseas passengers at the Honolulu airport are foreign visitors and that there is still an approximately forty-five minute immigration and customs processing time for foreign arrivals.

Your Committee believes that the use of technology in customs clearances will greatly enhance Hawaii as a tourist destination.

As such, your Committee has amended this concurrent resolution by acknowledging that a majority of passengers arriving at the Honolulu International Airport are from overseas.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 83, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 83, H.D. 1.

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

SCRep. 1208-98 Judiciary on S.B. No. 2389

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

The Department of Health, the Board of Medical Examiners, the Hawaii Nurses' Association, the American Heart Association, the Hawaii Medical Association, and the Police Department of the County of Maui submitted testimony in support of the measure.

The Consumer Lawyers of Hawaii supported the concepts contained in the bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments to conform to drafting conventions.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2389, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2389, S.D. 1, H.D. 2.

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

SCRep. 1209-98 Judiciary on S.B. No. 2655

The purpose of this bill is to:

- (1) Establish procedures for the transfer of registration of bicycles and mopeds;
- (2) Allow for the obtaining of duplicate certificates of registration;
- (3) Make registration permanent rather than biennial; and
- (4) Lower registration fees.

Your Committee received testimony in support of this bill from the Department of Finance of the City and County of Honolulu and several concerned individuals.

Establishing a procedure for the transfer of bicycle and moped registration may facilitate the return of recovered stolen bicycles and mopeds to registered owners. However, the language of this bill, as received by your Committee, is confusing because it refers to section 286-52.5, Hawaii Revised Statutes (HRS), relating to the transfer of registration for trailers, rather than specifying the procedures to be followed for bicycles and mopeds. To reduce confusion and for purposes of style and clarity, your Committee recommends using section 286-52.5, HRS, as a model for setting forth the procedures for transferring registration of bicycles or mopeds.

Additionally, your Committee finds that making registration permanent rather than biennial will reduce inconvenience for the public and the county Department of Finance. Your Committee believes that there should be a provision for obtaining duplicate certificates of registration in the event of lost, stolen, or mutilated certificates.

Accordingly, your Committee has amended this bill by specifying the exact procedures to be followed for the registration of a transferred bicycle or moped by tracking the language of section 286-52.5, HRS.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2655, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2655, S.D. 1, H.D. 1.

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

SCRep. 1210-98 Judiciary on S.B. No. 2850

The purpose of this measure is to increase penalties for operators and users of illegal open dumps.

Your Committee received testimony in support of this measure from representatives of the Department of Public Works and the Contractors License Board. The Department of Health submitted testimony in support of the original intent of this measure. Representatives from the Hawaii Metal Recycling Company and Waste Management of Hawaii also submitted comments on this measure.

Your Committee received testimony in opposition to this measure from a concerned individual.

Your Committee believes that revocation of a contractor's license for knowingly violating the prohibition against operation or utilization of an open dump should apply to all contractors and not only to general contractors. In addition, your Committee believes that the authority to impose a criminal penalty of revocation of a contractor's license should be based upon receipt of a court order, rather than an administrative hearing under Chapter 444, Hawaii Revised Statutes (HRS).

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

- (1) Amending the definition of "feasibility assessment" contained in section 342G-1, HRS, for the purpose of consistency;
- (2) Authorizing the revocation by court order of any contractor's license or any applicable certificate of authorization from the Public Utilities Commission;
- (3) Deleting the amendment to section 444-17, HRS, which granted authority to the board to revoke, suspend, or refuse to renew a license for a violation of section 342H-30, HRS; and
- (4) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2850, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2850, S.D. 2, H.D. 2.

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

SCRep. 1211-98 Judiciary on S.B. No. 3088

The purpose of this bill is to provide immunity from civil liability to an employer who discloses information or opinions regarding the job performance of a current or former employee to a prospective employer.

Your Committee received testimony in support of this bill from the Judiciary, the Department of Human Resources Development, the City and County of Honolulu Department of Personnel, the Chamber of Commerce of Hawaii, the National Federation of Independent Business, the Hawaii Business League, Retail Merchants of Hawaii, the Consulting Engineers Council of Hawaii, the Hawaii Restaurant Association, the Hawaii Association of Temporary Staffing Services, Adecco Personnel Services, and Healthcare Association of Hawaii. The Hawaii Civil Rights Commission did not oppose this bill as drafted because it addresses concerns about any potentially adverse impact on civil rights and fair employment laws by including exceptions for chapters 368 and 378, Hawaii Revised Statutes (HRS). The Hawaii Nurses' Association and a concerned individual opposed this bill.

Your Committee finds that this bill will enable prospective employers to assess a prospective employee's future job performance through background information received from past employers. This bill will also encourage employers to be more forthcoming in sharing job information with prospective employers about a current or former employee without fear of liability. At the same time, this bill will provide a measure of protection to employees who are harmed by the disclosure

of information that the employer knows is false or deliberately misleading. Furthermore, this bill will not affect existing civil rights and fair employment laws.

Your Committee notes that thirty-one other states have passed similar laws.

Your Committee is concerned that this bill as drafted, however, waters down the intent to provide immunity to employers by providing exceptions for chapters 89, 92F and 377, HRS, 29 U.S.C. 158, and any contracts, employment or termination agreements, collective bargaining agreements, court orders, or arbitration awards. Your Committee believes that chapters 368 and 378, HRS, relating to civil rights and fair employment practices, provide sufficient protections to employees, and that it is unnecessary to include these other provisions.

Accordingly, your Committee has amended this bill by removing references to chapters 89, 92F and 377, HRS, 29 U.S.C. 158, and to any contracts, employment or termination agreements, collective bargaining agreements, court orders, or arbitration awards.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3088, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3088, S.D. 1, H.D. 2.

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

SCRep. 1212-98 Judiciary on S.B. No. 3204

The purpose of this measure is to permit the installation of tracking devices in motor vehicles or other property with the permission of the owner or person in lawful possession of the motor vehicle or other property or at the request of a Police Department or law enforcement to install them in "bait vehicles."

Your Committee received testimony in support of this measure from the Police Department, City and County of Honolulu, M&G Associates, and a private citizen.

Your Committee believes that installation of mobile tracking devices in motor vehicles by or with the permission of the owner or person in lawful possession of the motor vehicle will help to locate and recover stolen property. Your Committee also finds that the installation of mobile tracking devices in "bait vehicles" by law enforcement will help to apprehend criminals and further reduce motor vehicle thefts.

Currently, however, the installation of mobile tracking devices without first obtaining a search warrant or other order authorizing the installation and use of such a device is classified as a class C felony. The proposed measure amends the law to allow the consensual installation of mobile tracking devices without having to first obtain a search warrant, by amending the definition of "tracking device" to exclude tracking devices installed by or with the permission of the owner or person in lawful possession of the motor vehicle or other vehicle or other property in such vehicle or other property or at the request of a police department or law enforcement agency in a "bait vehicle."

Based upon testimony received from the Police Department, City and County of Honolulu, your Committee believes at this time, that the exclusion from the search warrant requirement granted under this measure should be limited to the consensual installation of tracking devices in motor vehicles or other vehicles for the purpose of tracking the movement of such vehicles or the installation of tracking devices by or at the request of a Police Department or law enforcement agency in a "bait vehicle."

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

- (1) Adding a new definition of "bait vehicle"; and
- (2) Clarifying that the exclusion from the search warrant requirement granted under this measure applies only to a "tracking device" installed:
 - (a) In a motor vehicle or other vehicle by or with the permission of the owner or person in lawful possession of the motor vehicle or other vehicle for the purpose of tracking the movement of such motor vehicle or other vehicle; or
 - (b) By or at the request of a Police Department or law enforcement agency in a "bait vehicle."

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3204, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3204, H.D. 2.

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

SCRep. 1213-98 Finance on S.B. No. 632

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

- (1) Establishing a three-year demonstration project to provide for the implementation of photo speed imaging detector and photo red light imaging systems to improve traffic enforcement; and

- (2) Allow the City and County of Honolulu to contract with an appropriate provider of these systems under public procurement laws while exempting the contract from civil service, compensation, and collective bargaining laws; allowing the contractor access to information; and allowing the contractor to issue citations or summonses by mail.

The Chamber of Commerce of Hawaii, State Farm Insurance Companies, Hau'ula Community Association, Koolauloa Neighborhood Board, and Koolauloa Youth Organization supported this measure. The Department of Transportation and Honolulu Police Department supported the intent of this bill. The Judiciary and Office of Information Practices submitted comments.

Your Committee has amended this bill by:

- (1) Specifying that the photo speed imaging detector system is able to capture the front license plate;
- (2) Providing that the lessor of a rental or U-drive vehicle is responsible for the summons or citation if the lessor does not provide the court the name and address of the lessee within 30 days after the notice of violation is sent to the lessor;
- (3) Clarifying that penalties for violations will be the same as those provided in section 291C-161, Hawaii Revised Statutes; and
- (4) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 632, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 632, S.D. 2, H.D. 3.

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

SCRep. 1214-98 Finance on S.B. No. 2204

The purpose of this bill is to expedite the regulatory approval process by requiring all issuing state agencies and departments to establish by rule, maximum time frames for the review and approval of permits, approvals, and licenses under their jurisdictions.

The Department of Business, Economic Development, and Tourism, the Department of Labor and Industrial Relations, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, the Hawaii Business Roundtable, the Building Industry Association of Hawaii, the Land Use Research Foundation of Hawaii, the Hawaii Association of Realtors, and the Estate of James Campbell submitted testimony in support of this measure. The Department of Health submitted testimony in support of the intent of this measure. The Sierra Club, Hawaii Chapter, Na Leo Pohai, and the Hawaii Audubon Society submitted testimony in opposition of this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2204, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2204, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1215-98 Finance on S.B. No. 2249

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

The Department of Public Safety testified in support of this measure.

Your Committee has amended the bill by:

- (1) Authorizing the Department of Public Safety to adopt rules to establish a fee schedule rather than mandating that fees conform to specific guidelines;
- (2) Deleting the \$3 maximum fee per treatment episode; and
- (3) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2249, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2249, S.D. 1, H.D. 2.

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

SCRep. 1216-98 Finance on S.B. No. 2254

The purpose of this bill is to assist women and children to free themselves from the sex industry and become contributing members of society by allowing the court to require that persons convicted of prostitution receive prostitution intervention services as part of sentence of probation.

The Hawaii Activities and Tours Association, Sisters Offering Support, Family and Children's Service, Promise, and numerous individuals testified in support of this measure. The Honolulu Police Department and the Waikiki Improvement Association submitted testimony in support of the intent of this measure. The Waikiki Health Center submitted testimony in opposition to this measure. The Department of Business, Economic Development, and Tourism, the Department of Community and Social Resources of the City and County of Honolulu, two City and County of Honolulu Councilmembers, the Miss Hawaii International Beauty Pageant, Prostitution to Independence, Dignity, and Equality, and several individuals submitted comments.

Your Committee has amended the bill by:

- (1) Inserting the appropriation amount of \$1 for the purpose of continued discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2254, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2254, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Hamakawa and Marumoto.

SCRep. 1217-98 Finance on S.B. No. 2624

The purpose of this bill is to create housing for homeless persons by re-enacting a program that provides incentives and assistance to private homeowners who set aside existing dwelling units or construct or renovate dwelling units for rental by families or individuals who are employed but homeless.

The Hawaii Housing Authority, the Hawaii Catholic Conference, and an individual submitted testimony in support of the bill.

Your Committee has amended the bill by:

- (1) Adding a sunset date of June 30, 2003; and
- (2) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2624, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2624, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Ahu isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1218-98 Finance on S.B. No. 2835

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

- (1) Requiring insurers to file quarterly tax statements with the Insurance Commissioner;
- (2) Replacing the monthly premium tax payment schedule with a quarterly payment schedule; and
- (3) Revising a fine structure imposed on insurers who are delinquent or fail to pay the required taxes.

The Department of Commerce and Consumer Affairs, Hawaii Insurers Council, and State Farm Insurance Companies testified in support of this measure.

Your Committee made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2835, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2835, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1219-98 Finance on S.B. No. 2874

The purpose of this bill is to ensure the safety of abused or neglected children by:

- (1) Defining "abused or neglected" as subject to "harm", "imminent harm", or "threatened harm"; and
- (2) Clarifying the role of the Department of Human Services (DHS) with regard to abused and neglected children.

DHS, the American Academy of Pediatrics Hawaii Chapter, the Democratic Party of Hawaii, and the Junior League of Honolulu testified in support of this measure.

Your Committee has amended this measure by making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2874, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2874, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanohe and Marumoto

SCRep. 1220-98 Finance on S.B. No. 721

The purpose of this bill is to increase certain court fees.

The Judiciary commented on this measure.

Your Committee has amended this bill by allowing the Judiciary to adopt rules pursuant to Chapter 91, Hawaii Revised Statutes, for the setting of certain court fees.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 721, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 721, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Hamakawa and Marumoto.
(Representative Meyer voted no.)

SCRep. 1221-98 Finance on S.B. No. 1309

The purpose of this bill is to ensure the quality of justice for Hawaii's citizens by:

- (1) Compensating State residents who are victims of terroristic acts outside the United States;
- (2) Allowing State residents to receive compensation if not fully compensated by the state in which a crime occurred; and
- (3) Disallowing compensation to any convicted person while confined in a correctional facility.

The Department of the Attorney General, the Criminal Injuries Compensation Commission, the Sex Abuse Treatment Center, and the Department of the Prosecuting Attorney of the City and County of Honolulu submitted testimony in support of this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1309, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1309, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Hamakawa and Marumoto.

SCRep. 1222-98 Finance on S.B. No. 2025

The purpose of this bill is to streamline the process of introducing plants, animals, and microorganisms while assuring that stringent safeguards are in place to protect the environment and the general public by:

- (1) Exempting the Board of Agriculture (BOA) from the public notice and hearing requirements of Chapter 91, Hawaii Revised Statutes (HRS), when adopting rules to amend the lists of conditionally-approved, restricted, and prohibited animals and microorganisms, and restricted and prohibited plants; and
- (2) Requiring the Board to adopt rules, subject to Chapter 91, HRS, to establish methods for public input and notification regarding any amendments made to the list.

The Board, the Department of Health, the Hawaii Farm Bureau, the Hawaii Agriculture Research Center, Cyanotech Corporation, Hawaiian Marine Enterprises, the College of Tropical Agriculture and Human Resources and several individuals testified in support of this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2025, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2025, S.D. 2, H.D. 2.

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

SCRep. 1223-98 Finance on S.B. No. 2123

The purpose of this bill is to change the compensation of the Boards of Registration from a set rate established by statute to a schedule established by rule by the Chief Elections Officer.

The Office of Elections submitted testimony in support of this measure.

Your Committee has made technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2123, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2123, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Hamakawa and Marumoto.

SCRep. 1224-98 Finance on S.B. No. 2402

The purpose of this bill is to strengthen and clarify civil and criminal legal remedies for domestic abuse by amending the domestic abuse laws.

Among other things, this bill:

- (1) Removes the requirement that abuse be "recent" for a judge to issue an ex parte temporary restraining order and for a police officer to take action in domestic abuse situations;
- (2) Requires a person to provide proof of compliance when ordered by the court to undergo domestic violence intervention;
- (3) Changes the maximum period a protective order may be extended to not more than three years from the expiration of the preceding order rather than from the date the order was granted;
- (4) Authorizes the court to extend probation for up to two years for violations of temporary restraining orders and convictions of abuse of family and household members; and
- (5) Replaces the phrases "cooling off period" with "period of safety", and "treatment and counseling" with "domestic violence intervention".

The Honolulu Police Department, the Hawaii State Coalition Against Domestic Abuse, and Hale Lokomaika'i testified in support of this measure. The Domestic Violence Clearinghouse and Legal Hotline testified in support of the intent of this measure.

The Judiciary, Hawaii Lawyers Care, Hawaii Women Lawyers, and the Department of the Prosecuting Attorney of the City and County of Honolulu commented on this measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments for consistency and to correct a drafting error.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2402, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2402, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Hamakawa and Marumoto.

SCRep. 1225-98 Finance on S.B. No. 2782

The purpose of this bill is to appropriate funds to satisfy claims against the State, its officers, or its employees for payments of judgments or settlements.

The Department of the Attorney General submitted testimony in support of this measure.

Your Committee has amended this bill by:

- (1) Adding an additional claim; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2782, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2782, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Hamakawa and Marumoto.

SCRep. 1226-98 Finance 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:

- (1) Making OIP responsible for the administration of the open meetings law; and

- (2) Moving OIP from the Department of the Attorney General to the Office of the Lieutenant Governor.

Common Cause Hawaii, the Honolulu Community-Media Council, the League of Women Voters of Hawaii, the Office of Hawaiian Affairs, and several individuals submitted testimony in support of this measure. The Department of the Attorney General submitted testimony in opposition to this measure. OIP, the Office of the Lieutenant Governor, Hawaii Clean Elections, the Society of Professional Journalists, and several individuals submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that complaints of board noncompliance may be submitted to the Lieutenant Governor and the Lieutenant Governor may forward unresolved complaints to the Attorney General or the Prosecuting Attorney for enforcement; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2983, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2983, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Hamakawa and Marumoto.

SCRep. 1227-98 Finance on S.B. No. 3114

The purpose of this bill is to help alleviate the rental housing crisis in Hawaii by:

- (1) Adding an additional requirement that Rental Housing Trust Fund (FUND) moneys be used for projects wherein, in addition to the current requirements, at least ten percent of available units are for families with incomes at or below thirty percent of the median income; and
- (2) Requiring that at least one-third of the Fund moneys allocated for construction projects be committed to projects that guarantee affordable units for families with incomes at or below thirty percent of the median income.

The American Association of Retired Persons, the Hawaii Catholic Conference, Catholic Charities, and the Legal Aid Society of Hawaii submitted testimony in support of this measure. The Office of the Governor submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3114, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3114, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1228-98 Education on H.C.R. No. 208

The purpose of this resolution is to recognize former Senator Mamoru Yamasaki for his efforts to improve the County of Maui by naming the Maui High School Gymnasium in his honor.

Testimony was received in strong support of the purpose and intent of this concurrent resolution from the Superintendent of Education and the ILWU Local 42.

Your Committee believes that this is a fitting tribute to the contributions Senator Yamasaki has made to the State and especially to Maui County.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 208 and recommends its adoption.

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

SCRep. 1229-98 Agriculture on H.C.R. No. 232

The purpose of this concurrent resolution is to facilitate efforts to implement integrated pest management programs under State agencies by requesting the Advisory Committee on Pesticides to:

- (1) Quantify the risk reductions that may be achieved by having State agencies with pest control responsibilities adopt integrated pest management programs; and
- (2) Study the feasibility of requiring State agencies to implement integrated pest management programs.

The Hawaii Pest Control Association and the Offices of David L. Bourgoïn testified in support of this measure. The Department of Agriculture, the Department of Health, and RESCUE Hawaii testified in support of the intent of this measure.

Your Committee has amended this concurrent resolution by:

- (1) Deleting the provision that requests the Advisory Committee on Pesticides to quantify the risk reductions that may be achieved by having State agencies with pest control responsibilities adopt integrated pest management programs;
- (2) Specifying that the study include evaluating successful integrated pest management programs locally and elsewhere for their adoption by State agencies with pest control responsibilities;
- (3) Deleting references to chemical methods with regard to the implementation of integrated pest management programs to reduce risks; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 232, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 232, H.D. 1.

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

SCRep. 1230-98 Judiciary on S.B. No. 2466

The purpose of this bill is to clarify that notification of a petition for guardianship is not required for parents whose rights have been terminated pursuant to the Family Courts Law (Chapter 571, Hawaii Revised Statutes (HRS)) or the Child Protective Act (Chapter 587, HRS).

The Attorney General submitted testimony in support of this measure.

The Attorney General testified that legal parents whose rights have been terminated in a Chapter 571 proceeding or divested in a Chapter 587 proceeding would not have standing to raise any issues at the guardianship proceedings since the issues at the guardianship proceeding would have already been decided. Thus, notice to these proceedings is not necessary.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2466, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 1231-98 Judiciary on S.B. No. 2796

The purpose of this bill is to include in the offense of robbery in the first degree, situations where a person knowingly inflicts or attempts to inflict serious bodily injury on another in the course of committing a theft.

The Attorney General, the Prosecuting Attorney for the City and County of Honolulu, and the Police Departments of the City and County of Honolulu and the County of Hawaii submitted testimony in support of the measure.

Your Committee believes that since robbery is essentially an assault committed during the course of a theft, the statutory scheme involving the highest degree of robbery, robbery in the first degree, should be consistent with that of the assault statutes, and therefore robbery in the first degree should include both the intentional and knowing states of mind. This bill makes the offense of robbery in the first degree consistent with the offense of assault in the first degree.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2796 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 1232-98 Judiciary on S.B. No. 2903

The purpose of this bill is to enable the State Commission on the Status of Women (Commission) to conduct its business more efficiently and effectively by:

- (1) Clarifying that the ex officio members, or their designated representatives, serve as nonvoting members and that the remaining seven appointed members of the Commission serve as voting members;
- (2) Clarifying that the Chairperson of the Commission be elected from the seven appointed, voting members; and
- (3) Providing that a quorum to do business or validate any act of the Commission consist of a majority of the seven appointed, voting members.

It is your Committee's understanding that this bill will allow the Commission to conduct its business more effectively and efficiently by allowing the Commission to more easily achieve a quorum to do business or to validate any act of the Commission.

The Attorney General, the Commission, and an individual submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2903 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 1233-98 Judiciary on S.B. No. 2710

The purpose of this measure is statutorily to authorize the issuance of anticipatory search warrants.

Testimony supporting this measure was received from representatives of the Honolulu Police Department, Narcotics/Vice Division, the Department of the Prosecuting Attorney, City and County of Honolulu, and the Department of the Prosecuting Attorney, County of Maui.

Your Committee recognizes the tremendous importance and utility of anticipatory search warrants in drug investigations, particularly when "dealing with the furtive and transitory activities of persons who traffic in narcotics." 2 W. La Fave, Search and Seizure, §3.7(c), at 365 (1996). Your Committee finds that the Hawaii Supreme Court has held that anticipatory search warrants are impermissible under section 803-31, Hawaii Revised Statutes (HRS). State v. Scott, No. 18170, slip op. at 14 (Jan. 8, 1998). Your Committee further finds, based on the Court's opinion, that it is necessary to amend section 803-31, HRS, to provide a legal basis for anticipatory search warrants.

Your Committee finds that an anticipatory search warrant is intended to be an order in writing made by a judge or other magistrate, directed to an officer of justice, commanding the officer to search for certain articles anticipated to be, at the time the warrant is executed, in the possession of one who is charged: (a) With having obtained them illegally or keeping them illegally; or (b) With the intent of using them as the means of committing a certain offense. Accordingly, your Committee agrees with the Intermediate Court of Appeals that anticipatory search warrants shall:

- (1) Be issued by an authorized judge or magistrate, based upon probable cause supported by oath or affirmation;
- (2) Be based upon a clear showing, supported by oath or affirmation, of law enforcement's need to have the anticipatory search warrant issued before the occurrence of the event generating the probable cause;
- (3) Describe particularly the place to be searched and the things to be seized;
- (4) Authorize a search only upon the occurrence of the event generating the probable cause;
- (5) Authorize a search only within the probable life of the probable cause; and
- (6) Be executed before the probable cause in fact expires.

Scott, slip op. at 2 and 7, quoting State v. Scott, No. 18170, slip op. at 13-14 (App. Apr. 30, 1997).

Your Committee notes that this measure is similar to H.B. No. 2459, H.D. 1, which was passed out of the House of Representatives earlier this legislative session after a public hearing before this Committee.

Your Committee has amended this measure by:

- (1) Deleting the contents and inserting the contents of H.B. No. 2459, H.D. 1; and
- (2) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2710, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2710, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1234-98 Judiciary on S.B. No. 2884

The purpose of this bill is to authorize the Department of Labor and Industrial Relations (DLIR) to penalize employers who do not submit records and information on a timely basis or who interfere with or delay an investigation.

DLIR testified in support of this measure.

Your Committee believes that this measure is necessary to ensure compliance with the wage and hour documentation requirements under current law.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2884, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1235-98 Judiciary on S.B. No. 2885

The purpose of this bill is to authorize hearings officers appointed by the Director of Labor and Industrial Relations to render the final decision on appeals filed under the law.

The Department of Labor and Industrial Relations (DLIR) testified in support of this measure.

Your Committee finds that this measure will increase overall efficiency by:

- (1) Streamlining the hearings process;
- (2) Facilitating the resolution of:
 - (a) Appeals filed by the employer; and
 - (b) Complaints filed by workers;and
- (3) Allowing DLIR to issue a final decision without first issuing a proposed decision.

Your Committee notes that this bill is similar to H.B. No. 2867 which was passed out of the House of Representatives earlier this session after public hearings before the Committee on Labor and Public Employment and this Committee.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2885, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1236-98 Judiciary on S.B. No. 2099

The purpose of this bill is to increase the safety of Hawaii's children riding in motor vehicles by requiring that all children under four years of age be properly restrained in a car seat.

The Department of Transportation, the Department of Health, the Honolulu Police Department, the Commission on Persons with Disabilities, the State Farm Insurance Companies, the Hawaii Nurses' Association, and the Keiki Injury Prevention Coalition testified in support of this measure.

Your Committee finds that passenger use of seat belts is essential for the prevention of traumatic head and brain injuries, other disabilities, or death that may occur as a result of a vehicular accident. In particular, children are very vulnerable in motor vehicle accidents, so clarifying the age of a child to be restrained in a car seat or by a seat belt is important.

This bill will update Hawaii's child passenger restraint law to respond to national standards and recommendations and to reflect the National Highway Traffic Safety Administration standards and recommendations.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2099, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1237-98 Finance on S.B. No. 2581

The purpose of this bill is to prohibit mortuaries, cemeteries, and pre-need funeral authorities from assessing additional fees, except for fees related to transfer of ownership rights, for perpetual care once a contract has been executed for the sale of cemetery property, interment services, funeral services, or related commodities.

The Department of Commerce and Consumer Affairs submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2581, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1238-98 Finance on S.B. No. 2633

The purpose of this bill is to require that the fair market value of renegotiated rental amounts for leases be determined in conformance with the Uniform Standards of Professional Appraisal Practice.

Several individuals testified in support of this measure. The Hawaii Council of Associations of Apartment Owners and the Hale Coalition testified in support of the intent of this measure. The Housing Finance and Development Corporation, Kamehameha Schools Bishop Estate, and the Hawaii Chapter of the Appraisal Institute testified in opposition to this measure. The Hawaii Public Interest Advocate, the Small Landowners Association, the Small Landowners of Oahu, and numerous individuals commented on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2633, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1239-98 Finance on S.B. No. 2866

The purpose of this bill is to strengthen mental health programs at the Hawaii State Hospital (HSH) by:

- (1) Allowing the Director of Health to appoint additional professional staff to operate the HSH mental health program; and
- (2) Exempting occupational therapists or occupational therapy assistants employed at HSH from mandatory certification requirements for not longer than one year if the person has met the educational requirements for certification.

The Hawaii Government Employees Association testified in opposition to this measure. The Department of Health submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2866, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1240-98 Finance on S.B. No. 3002

The purpose of this bill to authorize the Department of Human Services (DHS) to establish and enforce monetary sanctions for certain violations by health plans under contract with the department.

DHS testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3002, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1241-98 Finance on S.B. No. 3213

The purpose of this bill is to enable insurance professionals to better serve their clients by:

- (1) Establishing continuing education requirements for insurance licensees;
- (2) Requiring insurance licensees to meet continuing education requirements as a condition of license renewal;
- (3) Establishing the Hawaii Insurance Education Board to make recommendations to the Insurance Commissioner regarding continuing education course providers, materials, and requirements; and
- (4) Establishing an Insurance Licensing Administration Revolving Fund.

The Department of Commerce and Consumer Affairs, the Hawaii Independent Insurance Agents Association, the Hawaii State Association of Life Underwriters, and State Farm Insurance Companies submitted testimony in support of this measure. The Department of Budget and Finance submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3213, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1242-98 Finance on S.B. No. 2739

The purpose of this bill is to allow the Department of Accounting and General Services to collect outstanding fines and debts owed to the Judiciary through the interception of State income tax refunds.

The Judiciary testified in support of this measure. The Department of Taxation commented on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2739, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chang, Hamakawa and Marumoto.

SCRep. 1243-98 Education on S.B. No. 2388

The purpose of this bill is to allow advanced practice registered nurses to certify that a child has been immunized or physically examined for the purpose of entering a school.

Your Committee received testimony in support of this measure from the Department of Education, the Department of Health, the Hawaii Nurses' Association, and Kaiser Permanente.

Your Committee agrees with the intent of this bill, which amends State statutes regarding school physicals and immunizations status certification to reflect what is already current practice. Your Committee finds that advanced practice registered nurses have been performing these services for a number of years and are increasingly working as the primary provider of health care in both urban clinics and rural areas. Your Committee further finds that updating State statutes to reflect current practice should result in more accessible and economical health screening with no decrease in the quality of service provided.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2388, S.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1244-98 Consumer Protection and Commerce on S.B. No. 2332

The purpose of this bill is to allow the Police Activities League (PAL) boxing program (program) to operate independently by exempting the program from the rules of the State Boxing Commission (Commission).

The Honolulu Police Department and several individuals submitted testimony in support of this measure. The Commission submitted comments.

On January 22, 1998, the Commission, by policy, agreed to officially exempt the PAL program from mandatory membership with the United States Amateur Boxing Inc., and to permit PAL to continue the independent operation of its program.

Your Committee believes that placing the exemption in statute is a better alternative because policies may change when new commissioners join the Commission. In addition, this exemption would ensure that the PAL program will continue to operate as it has for the past fifty years.

Your Committee notes that this bill is similar to H.B. No. 2964, H.D. 1, which was passed out of the House of Representatives earlier this session after a public hearing before this Committee.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2332, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tom.

SCRep. 1245-98 Consumer Protection and Commerce on S.B. No. 2611

The purpose of this bill is to create a mechanism, called Uniform Transfer-on-Death (TOD) Security Registration under which:

- (1) Owners of securities may designate death beneficiaries when this service is offered by the issuer of the securities; and
- (2) Issuers of securities may set the standards for allowing TOD registrations and for transferring securities upon an owner's death, including standards for proof of death.

The Hawaii Commission on Uniform State Laws testified in support of this bill.

Your Committee finds that this measure provides an alternative means for individuals to transfer assets upon their death that avoids the expense and delay associated with the probate process.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2611 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Garcia, Tom, Yoshinaga, Pendleton and Whalen.

SCRep. 1246-98 Consumer Protection and Commerce on S.B. No. 2819

The purpose of this bill is to improve regulation of escrow depositories by extending the period a license may be suspended from two years to five years and authorizing the Commissioner of Financial Institutions (Commissioner) to revoke or suspend the license of any licensed escrow depository who:

- (1) Engages in an unsafe or unsound practice that is likely to cause insolvency or substantial loss of assets or earnings for the escrow depository;
- (2) Fails to maintain books and records that are sufficiently complete and accurate so as to be used by the Commissioner to determine the financial condition of the escrow depository; and
- (3) Ceases to engage in business for which the escrow depository is licensed for a period of six consecutive months or more.

Title Guaranty Escrow Services submitted testimony in support of this measure. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee finds that these amendments would standardize rules affecting escrow companies with those affecting financial institutions. Your Committee supports this measure to provide additional protection for Hawaii's consumers.

Your Committee notes that this measure is the companion to H.B. 2808, H.D. 1, which was passed out of the House of Representatives earlier this session after a public hearing before this Committee.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2819 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Garcia, Herkes, Tom and Yoshinaga.

SCRep. 1247-98 Consumer Protection and Commerce on S.B. No. 2839

The purpose of this bill is to amend provisions in the Insurance Code governing examination expenses, risk-based capital reports, and public hearings on workers' compensation rate filings by:

- (1) Reinstating the language that was inadvertently repealed on June 30, 1997, from section 431:2-306, Hawaii Revised Statutes (HRS), that permits the Insurance Commissioner to assess examination costs on an agent or agency when there is a premium trust fund shortage, thereby allowing the Insurance Division to recoup the cost of an examination conducted by contract examiners;
- (2) Amending section 432:3-402, HRS, to revise the date insurers must file their risk-based capital report from March 15 to March 1, thereby making the filing date consistent with filing dates for financial statements currently mandated by the Insurance Code; and
- (3) Clarifying in section 431:14-120, HRS, that a public hearing will be scheduled on a workers' compensation rate filing only after the filing is complete.

Supportive testimony was submitted by the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2839 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Garcia, Herkes, Tom and Yoshinaga.

SCRep. 1248-98 Consumer Protection and Commerce on S.B. No. 2844

The purpose of this measure is to conform the definition of a "public utility" in section 269-17.5, Hawaii Revised Statutes (HRS), with the stated definition in section 269-1, HRS.

The Public Utilities Commission and the Division of Consumer Advocacy testified in support of this measure.

Your Committee finds that the public utility services listed in section 269-17.5, HRS, do not include all the services that are defined as public utility services in section 269-1, HRS. A public utility may attempt to avoid the requirements of section 269-17.5, HRS, based on this statutory inconsistency. This corrective amendment eliminates this potential consequence by ensuring that the substantive provisions of section 269-17.5, HRS, apply to all public utilities.

Your Committee notes that this bill is a companion measure to H.B. No. 2833 which was passed out of the House of Representatives earlier this session after a public hearing before this Committee.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2844 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tom.

SCRep. 1249-98 Consumer Protection and Commerce on S.B. No. 3077

The purpose of this bill is to allow purchasing groups to purchase insurance from an out-of-state risk retention group if placed through an agent or broker acting pursuant to the surplus lines laws of the agent's or broker's state.

Supportive testimony was submitted by the Department of Commerce and Consumer Affairs.

Testimony indicated that the requirement in section 431K-8, Hawaii Revised Statutes (HRS), that an agent or broker purchasing insurance must act pursuant to Article 8 of Chapter 431, HRS, is in conflict with other provisions of the Insurance Code. This measure will eliminate the conflict and ambiguity between the requirements contained in Chapter 431K, HRS, and Article 8 of Chapter 431, HRS.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3077 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Garcia, Herkes, Tom and Yoshinaga.

SCRep. 1250-98 Consumer Protection and Commerce on S.B. No. 2334

The purpose of this bill is to continue to protect consumers from the unfair marketing practices of timeshare salespersons by repealing the sunset provision in Section 3 of Act 331, Session Laws of Hawaii 1993 (Act 331).

Act 331 clarifies and expands the list of practices prohibited by sales and acquisition agents of time share units or plans. The Act includes a temporary, five-year prohibition on the offer, sale, or advertisement for sale, of any tourist activity or recreational activity at less than cost, to induce purchase of a time share plan or attendance at a time share marketing event.

The Department of Business, Economic Development, and Tourism, the Maui Hotel Association, and the Activity Owners Association of Hawaii testified in support of the bill. The Department of Commerce and Consumer Affairs commented on the bill and suggested an amendment.

Your Committee finds that continued state regulation of certain time share marketing practices will safeguard consumers by discouraging unfair and deceptive tactics.

Your Committee has amended the bill by replacing its contents with the language of H.B. No. 3293, H.D. 1, that passed the House earlier this session. As amended, the bill:

- (1) Amends section 514E-11(13), Hawaii Revised Statutes, to clarify the meaning of "cost" as it pertains to land, aerial, or water recreational activities; and
- (2) Makes technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2334, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2334, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Garcia, Tom, Yoshinaga, Pendleton and Whalen.

SCRep. 1251-98 Consumer Protection and Commerce on S.B. No. 2644

The purpose of this measure is to accommodate the growing trend for specialization in the "beauty" industry by:

- (1) Allowing for separate licensing categories for professionals providing skin and nail care services; and
- (2) Expanding the scope of and training for services provided by estheticians.

Supportive testimony was submitted by several concerned citizens and the Board of Barbering and Cosmetology (Board).

Testimony submitted by the Board indicated that:

- (1) Amending the category of "manicurist" to "nail technician" will allow for the recognition of the more common and acceptable title for a person providing services to a person's fingernails and toenails;
- (2) Amending the category of "cosmetician" to "esthetician" and separating the practice of nail technicians from estheticians are in keeping with the growing trend of specialization among esthetic or manicure service professionals; and
- (3) Since the scope of practice for estheticians has been expanded, an increase in training requirements for this category is appropriate.

Your Committee finds that this bill allows skin and nail care professionals to keep up to date with current industry standards and practices, thereby ensuring that services rendered to consumers are appropriate, safe, and sanitary.

Technical, nonsubstantive revisions were made to the bill for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2644, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2644, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes and Pendleton.

SCRep. 1252-98 Consumer Protection and Commerce on S.B. No. 2829

The purpose of this bill is to place the motor vehicle repair industry law into its proper perspective as a "licensing" law rather than a "registration" law and thereby align it with other licensing laws administered by the Department of Commerce and Consumer Affairs (DCCA).

This bill replaces the term "registration", or like terms, throughout Chapter 437B, Hawaii Revised Statutes, with the term "license", or like terms.

According to DCCA's Motor Vehicle Repair Industry Board, this administration bill will allow penalties to be imposed on those practicing without a motor vehicle mechanic's license. By contrast, a registration law simply requires practitioners to sign up with the State which, in turn, maintains a roster or registry of names to inform the public of the nature of their services.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting the substance of its companion bill, H.B. No. 2818, H.D. 1, which was reported out earlier by your Committee. As amended, the only differences are technical and nonsubstantive in nature.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2829, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2829, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tom.
(Representative Whalen voted no.)

SCRep. 1253-98 Consumer Protection and Commerce on S.B. No. 2833

The purpose of this bill is to add language to the motor vehicle lease disclosure law that was inadvertently omitted from Act 82, Session Laws of Hawaii, 1997.

Supportive testimony was submitted by the Hawaii Automobile Dealers Association and the Department of Commerce and Consumer Affairs.

This bill amends the motor vehicle lease disclosure law by requiring a lessor to disclose to customers that they have the right to obtain, upon request, a copy of:

- (1) The lessor's lease calculation worksheet, before or within six months of signing the lease agreement; and
- (2) Any documents reviewed during the lease transaction.

Your Committee finds that the information available to a consumer under this disclosure requirement will enhance the consumer's ability to meaningfully evaluate a prospective lease agreement.

Your Committee has amended the bill by replacing its contents with the language of H.B. No. 2822, H.D. 1, a substantially similar bill passed earlier this session. As amended, the bill makes stylistic, nonsubstantive changes to the language required to be included in the lease agreement under section 481L-2, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2833, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2833, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Garcia, Tom, Yoshinaga, Pendleton and Whalen.

SCRep. 1254-98 Consumer Protection and Commerce on S.B. No. 2842

The purpose of this bill is to make clarifying amendments to the Hawaii Medical Malpractice Underwriting Plan (Plan) to:

- (1) Correctly identify the page of the annual statement to which the definition of "net direct premiums" refers;
- (2) Update the statutory citations relating to insurance rate regulation; and

- (3) Clarify that the Insurance Commissioner has the authority to appoint insurers that are members of the Plan to act as servicing companies to underwrite medical malpractice insurance.

The Department of Commerce and Consumer Affairs testified in support of this measure.

Your Committee has amended this bill by replacing its contents with the language of its companion, H.B. No. 2831, H.D. 1, which passed out of the House of Representatives earlier this session after a public hearing before this Committee. As amended, the only differences are technical and nonsubstantive in nature.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2842, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2842, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Garcia, Herkes, Tom and Yoshinaga.

SCRep. 1255-98 Consumer Protection and Commerce and Judiciary on S.B. No. 2472

The purpose of this bill is to improve antitrust regulation by allowing antitrust actions to be brought in any appropriate court in the circuit in which the defendant resides, engages in business, or has an agent, unless otherwise specifically provided.

The Department of Commerce and Consumer Affairs testified in strong support of the bill.

Your Committees find that this measure will give consumers other options in pursuing lawsuits by allowing actions to be brought in district and small claims court. Subsequently, this measure will lessen the cost and time involved in enforcing antitrust violations and encourage consumers to pursue private enforcement options available to them under section 480-13, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2472 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola and Yoshinaga.

SCRep. 1256-98 Consumer Protection and Commerce and Judiciary on S.B. No. 2554

The purpose of this bill is to improve enforcement of credit card and debit card fraud by amending the definition of "credit card" to clarify that a credit card is used to obtain anything of value on credit, and includes any instrument or device used to obtain anything of value which the cardholder is entitled to or has on account.

The Department of Human Services testified in support of this bill. The Honolulu Police Department testified in opposition to this bill.

Your Committees have amended this bill by replacing its contents with the language of H.B. No. 3568, H.D. 1, which was passed out of the House of Representatives earlier this session after public hearings before these Committees.

H.B. No. 3568, H.D. 1:

- (1) Adds a new definition for "information" to section 708-800, Hawaii Revised Statutes (HRS), to regulate the sharing of personal cardholder information as well as account information;
- (2) Amends section 708-8102, HRS, to establish that unlawful possession of a credit card is prima facie evidence of an intent to use, sell, or transfer the card; and
- (3) Amends section 708-8105, HRS, to change "credit card lists" to "credit card information" to prohibit credit card issuers from releasing cardholder information without the prior written consent of the cardholder, except by contract between the card issuer and the authorized third party receiving the information.

In addition, your Committees have made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committees find that this bill, as amended, will enhance the ability of law enforcement to successfully investigate and prosecute individuals who commit credit card fraud.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2554, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2554, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hiraki, Tom, Yoshinaga, Thielen and Whalen.

SCRep. 1257-98 Consumer Protection and Commerce and Judiciary on S.B. No. 2619

The purpose of this bill is to deter the commission of deceptive and fraudulent acts against the elderly by:

- (1) Creating a new section in chapter 480, Hawaii Revised Statutes (HRS), that establishes additional civil penalties for consumer frauds committed against elders;
- (2) Amending section 480-13(b), HRS, to provide for an award of additional damages to an elder injured by an unfair or deceptive practice; and
- (3) Amending section 487-14(f), HRS, to provide for an award of additional amounts in restitution to an elder injured by an unfair or deceptive practice.

Supportive testimony was received from the Department of Commerce and Consumer Affairs, the Executive Office on Aging, and an individual.

Your Committees find that elders are disproportionately targeted and victimized in fraudulent schemes such as those that involve door-to-door sales and telemarketing prize promotions. The enhanced penalties and damages established in this measure are necessary to discourage the further commission of deceptive and predatory acts against some of the more vulnerable members of our community.

Your Committees have made technical amendments to the bill for the purpose of clarification.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2619, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2619, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Jones and Yoshinaga.

SCRep. 1258-98 Consumer Protection and Commerce and Judiciary on S.B. No. 2832

The purpose of this bill is to improve consumer protection by authorizing:

- (1) The Director of the Department of Commerce and Consumer Affairs (DCCA) to serve subpoenas to persons outside the State through personal or substituted service; and
- (2) The circuit court in the county where the subpoena was issued to enforce obedience to a subpoena issued to a nonresident or a company with no principal place of business in Hawaii.

DCCA testified in support of this bill and submitted amendments for consideration.

Your Committees find that this measure will provide an additional resource to the Office of Consumer Protection (OCP) to enforce the laws created to protect Hawaii's consumers. Although current law authorizes OCP to issue investigative subpoenas "in accordance with the rules of court", the various requirements pertaining to the issuance of subpoenas, the standards for issuance, the contents and requirements which must be contained therein, the manner and limits of effective service, and the enforcement of the subpoena make this process extremely complicated and hinders DCCA's ability to obtain information.

Your Committees have amended this bill by deleting its contents and inserting the language of H.B. No. 2821, H.D. 1, which was passed out of the House of Representatives earlier this session after public hearings before these Committees. Technical, nonsubstantive changes have also been made for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2832, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2832, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hiraki, Tom, Yoshinaga, Thielen and Whalen

SCRep. 1259-98 Consumer Protection and Commerce and Judiciary on S.B. No. 2836

This bill strengthens Act 251, Session Laws of Hawaii 1997 (Act 251), by improving the ability of the insurance fraud investigations unit (IFIU) to investigate and prosecute motor vehicle insurance fraud by:

- (1) Providing limited reimbursement of expenses directly incurred by financial institutions in searching for, reproducing, or transporting books, papers, documents, or other objects designated by a subpoena during an investigation;
- (2) Clarifying that the state of mind for insurance fraud includes knowing acts or omissions committed with intent to obtain insurance benefits or recovery;
- (3) Aligning the penalties of motor vehicle insurance fraud with those for theft under the Penal Code, by designating the classes of insurance fraud where the value of benefits, recovery, or compensation obtained is:
 - (A) More than \$20,000, a class B felony;
 - (B) More than \$300, a class C felony; or

- (C) Less than \$300, a misdemeanor;
- (4) Clarifying that information concerning insurance fraud must be supplied to trigger protection from criminal or civil liability, specifying that this information must be supplied to a court, the IFIU, a law enforcement or regulatory agency, or another insurer, and enlarging the list of purposes for which the information must be supplied, by adding the purpose of preventing insurance fraud;
 - (5) Requiring all applications and claim forms for motor vehicle insurance to include, or have attached, a statement notifying applicants or claimants that presenting a fraudulent claim for payment is a crime punishable by fines, imprisonment, or both;
 - (6) Requiring that within 60 days of determining a possible fraudulent claim, insurers must notify the IFIU and provide information about the claim, and that IFIU must protect the information provided from public disclosure;
 - (7) Authorizing attorneys for the IFIU to act on the State's behalf in any judicial or administrative proceeding to enforce the insurance fraud law;
 - (8) Authorizing insurance fraud investigators to serve process and apply for and execute search warrants; and
 - (9) Making insurance fraud an offense subject to the property forfeiture law.

The Department of Commerce and Consumer Affairs testified in support of the bill and submitted amendments for consideration. The Consumer Lawyers of Hawaii testified in support of the bill.

As a result of Act 251, motor vehicle insurance fraud was designated a criminal offense and the IFIU was established to investigate and prosecute insurance fraud offenders. Your Committees find that this measure will strengthen enforcement of motor vehicle insurance fraud laws, reduce insurance fraud occurrences, and thereby, reduce the cost of motor vehicle insurance rates for Hawaii's consumers.

Upon careful consideration, your Committees have amended this bill by replacing its contents with the substance of H.B. No. 2825, H.D. 1, which was passed by the House of Representatives earlier this session after public hearings before your Committees. H.B. No. 2825, H.D. 1, is similar to S.B. 2836, S.D. 1, except that it:

- (1) Provides only civil and not criminal immunity for a person who supplies insurance fraud information for the purpose of preventing, investigating, or prosecuting insurance fraud; and
- (2) Allows insurers to determine the placement and typeface of the notice to insurance applicants and claimants, of the crime and penalties of insurance fraud.

In addition, your Committees have adopted the amendment proposed by the Insurance Commissioner which expands the authority of insurance fraud investigators and attorneys from enforcement of section 431:10C-307.7, HRS, to "all applicable state laws relating to insurance fraud." The IFIU has found in many cases that criminal offenses relating, and in addition to the insurance fraud are committed. The current statutory language may unduly restrict investigation, or, may prevent prosecution of all criminal offenses arising from the incident involving insurance fraud.

Other technical, nonsubstantive amendments have been made for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2836, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2836, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hiraki, Tom, Yoshinaga, Thielen and Whalen.

SCRep. 1260-98 Consumer Protection and Commerce and Judiciary on S.B. No. 3241

The purpose of this bill is to protect consumers from unfair or deceptive acts by adding provisions that prohibit water transporters from increasing the price of potable water during a period of low groundwater or restricted water usage.

In addition, this bill:

- (1) Requires the Board of Water Supply (BWS) of any County to notify the Office of Consumer Protection (OCP) if a low groundwater condition or more restrictive water condition is declared or lifted;
- (2) Specifies the conditions exempting a water transporter's violations from penalties; and
- (3) Sets a maximum rate for the sale of potable water.

The Department of Commerce and Consumer Affairs (DCCA) commented on the bill.

Your Committees find that the current lack of rainfall and drought conditions in certain counties create a situation in which consumers are ripe for possible exploitation by water suppliers. This measure establishes criteria by which it may be determined whether or not water transporters are price gouging consumers, and allows prosecution of those violations under Hawaii's unfair and deceptive trade practice laws.

Upon careful consideration, your Committees have adopted the amendments proposed by the DCCA which replace the requirement that the BWS notify the OCP if low groundwater or restrictive water conditions are declared or lifted, with the following:

- (1) Prohibiting water transporters from increasing the price of water if a drought condition requiring a price freeze on water is determined and declared by the Mayor of an affected County or the Governor; and
- (2) Requiring the affected County to notify the Office of Consumer Protection if a drought condition is declared or lifted.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3241, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3241, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hiraki, Tom, Yoshinaga, Thielen and Whalen.

SCRep. 1261-98 Consumer Protection and Commerce and Judiciary on S.B. No. 2516

The purpose of this bill is to assist the police in tracking stolen property, and to increase the likelihood that stolen property is returned to its legal owner by:

- (1) Adding "antique dealer" to the definition section of the chapter of the Hawaii Revised statutes regulating pawnbrokers and secondhand dealers;
- (2) Requiring that dealers record the thumbprint of persons from whom articles are received;
- (3) Amending the requirement that dealers surrender records of transactions upon request of the County Chief of Police, by providing that dealers surrender originals, rather than copies; and
- (4) Establishing the following holding periods during which dealers must retain precious or semiprecious metals or gems in their original form:
 - (a) Fifteen calendar days in counties with a population of less than 300,000; and
 - (b) Thirty calendar days in counties with a population of 300,000 or greater.

Supportive testimony was received from the Hawaii Pawnbrokers Association and an individual. The Honolulu Police Department submitted testimony in favor of the bill and suggested amendments. Testimony in opposition to the measure was submitted by an individual.

Your Committees believe that the length of the holding period in which precious or semiprecious metals and gems received or purchased by dealers are retained in their original form, should be sufficient to allow police and owners to locate, identify, and retrieve stolen items. Your Committees also believe that this holding period should not be so long that it adversely affects a dealer's ability to conduct business in an economically sound and viable manner.

It is your Committees' understanding that last year, a consensus was reached between the Police Departments and the pawnbrokers establishing thirty calendar days as a reasonable holding period. Given this consensus, your Committees have amended this bill by replacing its contents with the substance of H.B. No. 3548 H.D. 1, a similar bill that was passed earlier by the House after public hearings before your Committees. Your Committees have made one substantive amendment to the text of that House bill.

As amended, the bill differs from S.B. No. 2516 H.D. 1 in that it:

- (1) Establishes a thirty day minimum gem and metals original form retention period for all counties, regardless of population size;
- (2) Omits the definition of "antique dealer" and amends the definition of "secondhand dealer" to include antique dealers; and
- (3) Makes technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2516, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2516, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Garcia, Herkes, Hiraki, Jones, Pendleton and Thielen.

SCRep. 1262-98 Water and Land Use on S.B. No. 2256

The purpose of this bill is to rename Barbers Point Harbor as Kalaeloa Barbers Point Harbor, effective January 1, 1999.

The Office of Planning of the Department of Business, Economic Development, and Tourism, and the Office of Hawaiian Affairs supported the intent of this measure. The Department of Transportation submitted testimony indicating that it had no objection to this bill.

After due consideration, your Committee has amended this bill to conform its language to that of H.B. No. 2596, a similar measure which was previously passed by the House of Representatives after a public hearing before this Committee.

As amended, this bill:

- (1) Renames Barbers Point Harbor, "Kalaeloa Harbor," rather than "Kalaeloa Barbers Point Harbor;"
- (2) Changes the effective date from January 1, 1999, to the date of approval; and
- (3) Makes technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2256, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2256, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1263-98 Consumer Protection and Commerce on S.B. No. 1362

The purpose of this bill is to protect the consumer from fraudulent activity made accessible through demand drafts by:

- (1) Defining "demand draft"; and
- (2) Providing transfer and presentment warranties to a drawee where a demand draft is presented for payment or acceptance.

The Hawaii Bankers Association testified in strong support of this bill.

Your Committee finds that this bill is intended to address problems that occur when direct marketers fraudulently obtain customer information where such information would be sufficient to generate a demand draft.

The definition of "demand draft" is intended to identify a payment instrument created to debit a bank customer's account by a party who is not a signer on the account. A demand draft may be created by a third party, such as a telemarketer with authorization from the bank customer, to obtain payment from the bank customer's account as a means to pay the third party. A demand draft may also be created by a third party, such as a home banking service provider, as a means to pay itself or others. The customer's account number and other processing information is encoded on the demand draft and deposited in a bank for collection through normal banking channels and payment by the payor bank.

Since demand drafts follow traditional check collection rules and modern check collection methods have made verifying demand draft authorization impossible for the payor bank, demand drafts have become a vehicle for consumer fraud. The payor bank is handicapped by an inability to verify that the demand draft is authorized due to the high volume and speed of checks processed and the lack of any authorizing signature. By creating additional transfer and presentment warranties for the demand draft on the part of the transferee, the risk of loss is shifted to the depository bank which is in the best position to verify, upon the creation of the demand draft, proper authorization with the bank customer upon whose account it is drawn.

Your Committee believes that shifting the risk of loss to depository banks will substantially diminish the amount of fraudulent demand drafts introduced by depository banks since they will have a large incentive to prevent the introduction of fraudulent drafts into the banking system.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1362, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1362, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Garcia, Herkes, Tom and Yoshinaga.

SCRep. 1264-98 Consumer Protection and Commerce 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 (NSMIA) which delineated national jurisdiction from State jurisdiction for regulatory oversight of securities offerings, broker-dealers, investment advisers, investment adviser representatives, and security related issues.

The Securities Industry Association (SIA), the Securities Industry Association of Hawaii, and the Investment Company Institute testified in support of the bill and submitted amendments for consideration. The Hawaii Society of the Institute of Certified Financial Planners and a concerned individual testified in support of the bill. The Department of Commerce and Consumer Affairs (DCCA) submitted amendments for consideration.

Your Committee finds that this measure will conform Hawaii's securities laws to federal law in accordance with the mandates of NSMIA. It is your Committee's understanding that NSMIA eliminated areas where regulatory oversight was duplicative under federal and state laws but preserved the anti-fraud enforcement authority of all securities regulatory bodies.

As a result of NSMIA:

- (1) Certain securities are identified as nationally offered, such as mutual funds and securities listed on national exchanges, and are precluded from state regulation;
- (2) Large investment adviser firms are exclusively regulated by the Securities and Exchange Commission (SEC) while the smaller investment firms and investment adviser representatives are regulated by state securities regulators; and
- (3) The states may not impose recordkeeping requirements that differ from federal recordkeeping requirements; however, SEC must consult with the states regarding which records to create and retain.

It is your Committee's understanding that the changes initiated by NSMIA were intended to enhance investor protection by eliminating the inefficiencies that existed in the previous duplicative system of regulation. As such, conforming Hawaii's laws to NSMIA will also improve investor protection for Hawaii's consumers and will allow the Commissioner of Securities to concentrate on the investigation of fraudulent practices rather than the regulation of securities investment advisers already regulated by federal law.

Upon careful consideration, your Committee has amended this bill by replacing its contents with the language of H.B. No. 2507, H.D. 1, which was passed out of the House of Representatives earlier this session after a public hearing before this Committee. H.B. No. 2507, H.D. 1, is similar to S.B. No. 2469, S.D. 1, except for formatting and stylistic differences that are nonsubstantive in nature.

In addition, your Committee has adopted the amendments proposed by DCCA and SIA which:

- (1) Retain the original definition of "salesperson" in section 485-1, Hawaii Revised Statutes;
- (2) Amend section 485-14(h), Hawaii Revised Statutes, to exempt required State registration for a salesperson representing a dealer in transactions involving federal covered securities described in section 15(h)(2) of the Securities Exchange Act of 1934; and
- (3) Amend section 485-14(i) and (k), Hawaii Revised Statutes, to provide that effective January 1, 1999, a salesperson's or investment adviser representative's registration will become effective thirty days following the application for registration unless the Commissioner of Securities acts to deny or impose conditions on the registration in accordance with the Uniform Securities Act of 1956.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2469, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2469, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Garcia, Herkes, Tom and Yoshinaga.

SCRep. 1265-98 Consumer Protection and Commerce 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.

The Department of Commerce and Consumer Affairs testified in support of this measure.

Your Committee finds that many issues may complicate the conversion of a nonprofit corporation to a for-profit corporation, including federal law requirements that nonprofit assets be transferred to another charitable interest, that the public's interest in the transaction be safeguarded, and that there be assurance of fair practice during the conversion process.

Your Committee believes that the public should be protected from unfair practices such as the undervaluing of nonprofit assets that decreases the value required by federal law to be transferred to a charitable interest and results in financial gain for the now profitable corporation once the asset is sold.

This measure will establish a mechanism to oversee the process of corporate conversion from nonprofit to for-profit which will ensure that the conversion occurs in a fair manner that protects the public's interest.

Your Committee has amended this bill by making technical, nonsubstantive amendments to correct a typographical and a drafting error.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2575, S.D. 1, as amended

herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2575, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Garcia, Tom, Yoshinaga and Pendleton.

SCRep. 1266-98 Consumer Protection and Commerce on S.B. No. 2586

The purpose of this bill is to amend the Insurance Code as it applies to captive insurance companies by:

- (1) Allowing captive insurance company to provide personal motor vehicle or homeowner's insurance coverage as an employee benefit;
- (2) Authorizing the Insurance Commissioner to allow captive insurance companies to engage in lines of insurance other than those specified in section 431:19-102(h), Hawaii Revised Statutes (HRS);
- (3) Providing that risk retention captive insurance companies may not insure any risk other than those allowed under Chapter 431K, HRS;
- (4) Including risk retention captive insurance companies within the provisions of sections 431:19-104, 431:19-105, and 431:19-115, HRS, consistent with the definition of "risk retention captive insurance company" in section 431:19-101, HRS; and
- (5) Clarifying that Chapter 431K, HRS, applies to risk retention captive insurance companies and not association captive insurance companies.

Testimony in support of the bill was received from the Department of Commerce and Consumer Affairs (DCCA), Hawaii Captive Insurance Management, Inc., and the Hawaii Captive Insurance Council (HCIC). Technical amendments to the bill were proposed by DCCA and HCIC.

Your Committee finds that this measure will provide for greater clarity and consistency within the Insurance Code and enhance the State's attractiveness as a captive insurance domicile.

Your Committee has amended this bill by replacing its contents with the language of H.B. No. 2672 H.D. 1, a substantially similar measure that was passed earlier by the House. As amended, this bill incorporates the amendments suggested by DCCA and HCIC, as well as other technical amendments to conform the bill to Ramseyer formatting.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2586, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2586, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Garcia, Herkes, Tom and Yoshinaga.

SCRep. 1267-98 Consumer Protection and Commerce on S.B. No. 2823

The purpose of this bill is to provide greater clarity and specificity in the law that requires the wearing of a time share identification badge by amending section 514E-2.6(a), Hawaii Revised Statutes (HRS) to:

- (1) 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 those persons required to wear identification badges wear the badges while off-premises and engaged in acquisition agent or sales agent activity as defined in section 514E-1, HRS, or activity for which registration is required under Act 231, Session Laws of Hawaii 1992.

Supportive testimony was received from the Department of Commerce and Consumer Affairs (DCCA) and a concerned individual.

Your Committee supports the regulation of the time share sales industry and finds that this measure will strengthen the provisions of the law.

To address the industry's concerns that this measure would require the wearing of a badge in certain social settings or remote locations, your Committee has amended the term "off-premises" to mean a place in or around a location required to be registered by the DCCA other than in the office of a sales agent, on a project site, or within a developer's principal place of business.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2823, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2823, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Garcia, Herkes, Tom and Yoshinaga.

SCRep. 1268-98 Consumer Protection and Commerce on S.B. No. 2838

The purpose of this bill is to decrease unlicensed insurance activity within the State by:

- (1) Clarifying that licensure in this State is required for a person engaging in the business of insurance in this State, when the person is acting as, appointed as, or holding oneself to be a general agent, subagent, solicitor, or adjuster; and
- (2) Clarifying that the effective date of an appointment, revocation, or termination of a general agent, subagent, or solicitor is the date stated in the notice required to be sent to the Insurance Commissioner (Commissioner) only if the notice is received by the Commissioner within fifteen days of the designation; otherwise, the effective date is the date the Commissioner receives the form.

The Department of Commerce and Consumer Affairs submitted testimony in support of this measure.

Your Committee finds that questions have been raised by agents, subagents, solicitors, and adjusters in other states about current language that does not require a person to be physically present in Hawaii before licensure is required. Your Committee does not believe that the law was intended to allow insurance professionals who are physically located outside the State to be licensed and to conduct insurance business that affects Hawaii's consumers. This measure will clarify the law and protect the public by requiring any general agent, subagent, or solicitor conducting insurance business affecting Hawaii consumers to be licensed as well as appointed by an insurer in Hawaii.

Your Committee also believes that this measure will provide the Insurance Division sufficient authority to pursue unlicensed activity. With the increasing use of electronic information, particularly on the Internet, the Insurance Division needs clarification of its authority to take appropriate action.

Your Committee finds that this measure will also help the Insurance Division with the notification process for the appointment, revocation, or termination of a general agent, subagent, or solicitor. The testimony of the Insurance Commissioner stated that notices have not been received in a timely manner. This measure clarifies the effective date of the status change and, therefore, will give insurers a greater interest in ensuring timely notification.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting the substance of its companion bill, H.B. No. 2827, H.D. 1, which was reported out earlier by your Committee. As amended, the only differences are technical and nonsubstantive in nature.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2838, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2838, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Garcia, Herkes, Tom and Yoshinaga.

SCRep. 1269-98 Consumer Protection and Commerce on S.B. No. 2887

The purpose of this bill, as received, is to protect the public from unsafe amusement rides, including bungee jumping, by:

- (1) Defining bungee jumping as an amusement ride;
- (2) Clarifying the definition of "amusement ride" to refer to mechanical or electrical devices;
- (3) Defining "imminent hazard" as a situation that could be expected to cause death or serious physical harm;
- (4) Authorizing bungee jumping operators to use qualified inspectors, rather than the Department of Labor and Industrial Relations (DLIR), to inspect the device;
- (5) Clarifying that DLIR may investigate related accidents to issue orders and recommendations for accident prevention and compliance;
- (6) Authorizing DLIR to adopt rules to require contractors, operators, and owners to report any accident, injury, or death related to the construction, use, or maintenance of boilers, pressure systems, amusement rides, bungee jumps, and elevators and kindred equipment;
- (7) Deleting the provision that allowed DLIR to apply to the respective circuit court for an immediate granting of a temporary restraining order when there is an imminent hazard to life or safety of a person or property;
- (8) Authorizing DLIR to require the owner, user, or contractor of a bungee jump to provide evidence of insurance coverage; and
- (9) Requiring DLIR to establish a training program for bungee jump inspectors and to seek funding for this program from bungee jump equipment manufacturers or vendors.

The Hawaii Government Employees Association (HGEA) testified in support of this measure. DLIR and Elevators Constructors commented on this measure.

Your Committee finds that bungee jumping is a hazardous activity for the public if not appropriately regulated. The rising popularity of bungee jumping requires the timely implementation of measures to safeguard public safety. While

your Committee acknowledges the concerns of DLIR regarding the lack of state resources, your Committee believes that this measure is necessary for the protection and safety of the public.

Upon consideration, your Committee has amended this measure by:

- (1) Deleting the provision allowing qualified inspectors to inspect devices; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors and for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2887, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2887, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Garcia, Tom, Yoshinaga and Pendleton.

SCRep. 1270-98 Consumer Protection and Commerce on S.B. No. 2981

The purpose of this bill is to deter the use of fraudulent or counterfeit motor vehicle insurance cards by mandating motor vehicle insurers to issue forgery resistant insurance cards to policyholders.

Supportive testimony was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Independent Insurance Agents, and the Consumer Lawyers of Hawaii. State Farm Insurance Companies submitted comments on the measure.

Your Committee finds that the use of fraudulent or counterfeit motor vehicle insurance cards is a growing problem. The total number of violations processed in the First Circuit Court for altered or fictitious no-fault insurance cards increased from 994 to 1,451 violations during the period beginning on December 1, 1996, and ending on December 1, 1997, reflecting a 35 percent increase in violations within one year. In the vast majority of those cases, forged or altered motor vehicle insurance cards made of regular card stock were found.

Testimony indicated that two major insurers in the State have implemented their own methods of providing their policyholders with "forgery resistant" insurance cards at a relatively insignificant cost to their insurance companies.

Your Committee believes that requiring motor vehicle insurance cards be "forgery resistant", as determined by the Insurance Commissioner, will deter the use of fraudulent or counterfeit motor vehicle insurance cards. Your Committee has requested that the Insurance Commissioner provide copies of all approved "forgery resistant" motor vehicle insurance cards to the Prosecutor's Office in order to familiarize the Prosecutor's Office with those insurance cards currently in use.

Technical, nonsubstantive revisions have been made to the bill for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2981, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2981, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes and Pendleton.

SCRep. 1271-98 Consumer Protection and Commerce on S.B. No. 3018

The purpose of this bill is to repeal the bulk sales provisions of the Uniform Commercial Code.

The Hawaii Commission on Uniform State Laws submitted testimony in support of this measure. Oral testimony was received by the Hawaii Bankers Association stating the Association has no objections to the bill.

It is your Committee's understanding that the bulk transfer laws were originally enacted to discourage a once prevalent type of fraud where a merchant would acquire the stock in trade on credit, sell the entire inventory, and then abscond with the proceeds, leaving creditors unpaid and with the burden of proving the purchaser assumed existing debts.

Your Committee finds that changes in the way business is conducted and in the laws governing the retail industry have made regulation of bulk sales unnecessary. Creditors are protected by the Uniform Fraudulent Transfer Act in the event that a bulk sale is fraudulent and the purchaser is party to the fraud.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting the language of its companion bill, H.B. No. 3102, H.D. 1, which was passed out of the House of Representatives earlier this session after a public hearing before this Committee. As amended, the only differences are technical and nonsubstantive in nature.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3018, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Garcia, Herkes, Tom and Yoshinaga.

SCRep. 1272-98 Judiciary on S.B. No. 1071

The purpose of this bill is to provide that absentee polling sites must be open no later than ten working days prior to each election, or as soon thereafter as ballots are available and that they all be open on the same date as determined by the Chief Elections Officer.

The Office of Elections testified in support of the measure.

Your Committee finds that this measure will enable the County and City Clerks to have the optimum use of resources while continuing to provide the public with ample access to absentee walk-in voting services.

Your Committee has amended this bill by clarifying that absentee polling places shall be open during all Saturdays within the ten working days prior to the election day.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1071, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1071, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1273-98 Judiciary on S.B. No. 2557

The purpose of this bill is to clarify present law regarding the discretion of government entities to pay damages adjudged against employees acting in good faith and in the course and scope of their employment.

For purposes of discussion, your Committee removed the contents of this measure and replaced them with the contents of H.B. No. 2544, H.D. 1, which passed out of the House of Representatives after public hearings before this Committee.

Testimony in support of the proposed measure was received from representatives of the County of Hawaii, Chinen & Arinaga, Financial Group Inc., Arthur Andersen, Hawaii Transportation Association, BFI, Hawaii Insurers Council, Concrete Creations of Hawaii, Inc., Hawaii Association of Realtors, Kapalua Land Company, Maui Land and Pineapple Company, Inc., Equitable Life Assurance Society, Pacific Geotechnical Engineers, Inc., ASCE, Hawaii Society of Certified Public Accountants, The Oshima Corporation, Hawaii Hotel Association, Coldwell Banker, American Home Shield, Maui Chamber of Commerce, Rocky's Pizza, Inc., General Contractors Association of Hawaii, Fewell Geotechnical Engineering, LTD., the Honolulu Board of Realtors, KFC Airport, Inc., Lee & Associates, Inc., the Principal Financial Group, MK Engineers, JeMerk & Associates, Coopers & Lybrand, NFIB, Okahara & Associates, Inc., Consulting Engineers Council of Hawaii, Gray, Hong, Bills & Associates, Inc., King & Neel, Inc., SSFM Engineers, Inc., Maui Hotel Association, American Council of Life Insurance, Allied Builders System, Hawaii Automobile Dealers' Association, Building Industry Association of Hawaii, Marco's Grill and Deli, the Pacific Resource Partnership, Architects Hawaii Limited, Construction Industry Legislative Organization, Inc., Tom Moffat Productions, Inc., Pharmacia and Upjohn, Hawaii Civil Justice Coalition, EQ Financial Associates, Inc., Consulting Structural Hawaii, Inc., Small Business Council of the Chamber of Commerce of Hawaii, Horwath Kam & Company, Associated Builders and Contractors, Inc., Kajioka Okada Yamachi Architects, Architects Hawaii Limited, Hawaii Medical Association, AIA Hawaii State Council, and several concerned individuals. Your Committee also received comments on the proposal from representatives from the Judiciary and the Supreme Court Standing Committee on Hawaii Rules of Evidence.

Testimony in opposition to the measure as proposed, was received from a representative from the Consumer Lawyers of Hawaii.

The purpose of this measure is to reform the civil justice system in the State of Hawaii.

Specifically, this measure will:

- (1) Abolish joint and several liability except for the recovery of damages in actions involving asbestos-related injuries and serious bodily injury or death;
- (2) Place a limit of \$500,000 on the recovery of non-economic damages in tort actions;
- (3) Allow courts to award attorneys' fees and court costs based on a percentage of a party's claims or defenses determined to be frivolous;
- (4) Codify Rule 68 of the Hawaii Rules of Civil Procedure permitting the party making an offer of settlement that was not accepted, and was at least as favorable to the offeree as the final judgment in the case, to recover costs from the offeree;
- (5) Allow evidence of collateral source payments to be admitted at trial and requires the court to reduce jury verdicts by the amounts of such payments; and
- (6) Limit punitive damages, which are to be determined by the judge in an amount not to exceed three times the amount of compensatory damages, and 33.3 percent of which shall go to the State.

Your Committee believes that this measure will inject economic justice back into the system by leveling the playing field for everyone. Your Committee believes that by removing the fear and unpredictability from the civil justice system,

exposing frivolous and abusive claims, and encouraging the just and swift compensation of injuries, economic justice will be rendered to both Plaintiff and Defendant in every dispute.

Your Committee strongly believes that business people in the State of Hawaii are afraid of Hawaii's current civil justice system. They are afraid of the cost of being the target of a frivolous lawsuit, they are afraid of being assessed judgments which are outrageous and unpredictable, and they are worried that our court system is structured in a way that economic concerns drive the final result, and not justice.

Your Committee notes that a number of other states advertise themselves as friendly to business based solely on the fact that they have reformed their civil justice system. This bill will send a strong message to both local and international enterprises that Hawaii is a good place to do business because its civil justice system has caught up with the rest of the country.

Your Committee notes that several provisions contained in this measure relate to civil actions in general and are not limited to tort actions. Accordingly, your Committee made several changes to the measure for purposes of consistency and to conform the contents of the measure to its title, including:

- (1) Changing several references from "civil action" to "tort action";
- (2) Applying the new section relating to offers of judgment only to tort claims; and
- (3) Amending sections 607-14.5 and 607-15.5, relating to attorneys' fees, to allow the court to assess reasonable attorneys' fees and costs upon a finding that all or a portion of a party's tort claim was frivolous.

In addition, based on concerns raised by the Judiciary, your Committee further amended this measure by deleting the requirement of the Judiciary to collect 33.3 percent of punitive damages awards and instead gave this responsibility to the Attorney General.

Your Committee also made several technical changes for purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2557, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2557, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1274-98 Judiciary on S.B. No. 2759

The purpose of this bill is to require the registered owner or lien holder of a vehicle to pay towing and storage charges on vehicles removed by order of a County Police Department for traffic obstruction or hazard. This bill also requires the towing company to notify the registered owner or lien holder of the vehicle within fourteen days of the tow.

The Department of Commerce and Consumer Affairs (Department), Bank of Hawaii, and the Hawaii State Towing Association testified on this bill. The Department recommended that this bill be amended to specify tow rates as set forth in section 290-11, Hawaii Revised Statutes (HRS), or as agreed upon with the respective counties. Bank of Hawaii suggested the deletion of the phrase "or lien holder" from section 1, line 10 of this bill to clarify that the lien holder is not responsible to pay the towing charges if the lien holder does not choose to take possession of the vehicle. The Hawaii State Towing Association pointed out that the fourteen-day time period to notify the registered owner or lien holder of the tow does not conform with the twenty-day time period set out in section 290-11, HRS.

Your Committee has amended this bill by:

- (1) Deleting the phrase "or lien holder" from section 1, line 10, of this bill;
- (2) Changing the time period in which a towing company has to notify the registered owner or lien holder of a tow from fourteen to twenty days;
- (3) Specifying that the charges for tows under this bill are limited to the rates as set forth in section 290-11(b), HRS, or the rates agreed upon between the towing company and the respective counties, whichever is less; and
- (4) Requiring the notice to state the maximum towing charges and fees allowed by law.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2759, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2759, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1275-98 Judiciary on S.B. No. 2786

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

Your Committee received testimony in support of this measure from the Attorney General, the Judiciary, the Office of Information Practices, the Police Department of the City and County of Honolulu, the Police Department of the County of Hawaii, and the Sex Abuse Treatment Center. The Office of the Public Defender commented on this measure.

Your Committee finds that adoption of the proposed definition of "conviction" would create confusion as to when the sex offender registration requirement is triggered. Your Committee notes that provisions of Chapter 846E, Hawaii Revised Statutes (HRS), concerning sex offender registration requirements, provide that the registration requirements are not triggered until a sex offender is to be discharged, paroled, or released.

Your Committee also finds, however, that the registration requirements regarding the release of a sex offender on bail pending sentencing after a guilty verdict, guilty plea, or plea of nolo contendere are unclear.

Accordingly, your Committee has amended this measure by:

- (1) Removing the definition of "conviction"; and
- (2) Clarifying that each judge, or that judge's designee, who continues bail for a sex offender following a guilty verdict or plea of guilty or nolo contendere, who releases a sex offender on probation, or who discharges a sex offender upon payment of a fine shall implement the sex offender registration requirements under Chapter 846E, HRS, prior to the discharge or release of the sex offender.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2786, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2786, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1276-98 Judiciary on S.B. No. 3228

The purpose of this bill, as received, is to clarify the proceedings for involuntary commitment to a psychiatric facility by:

- (1) Specifying the matters upon which a physician needs to testify; and
- (2) Allowing the court to order involuntary medication.

The Hawaii Medical Association, the Hawaii Psychiatric Medical Association, the National Alliance for the Mentally Ill, the Protection and Advocacy Agency of Hawaii, and several concerned individuals testified in support of this bill.

The Department of Health and the Hawaii Psychological Association opposed this bill due to the removal of psychologists from the process and the lack of adequate safeguards protecting patients from involuntary medication. The Attorney General opposed this bill because of the lack of less intrusive alternatives to involuntary medication. The Judiciary commented on the removal of psychologists from the process, and the Office of the Public Defender commented on the procedures surrounding involuntary medication.

Your Committee finds there are no provisions in our laws allowing for involuntary medication of patients who are involuntarily committed to the Hawaii State Hospital. Because of this, physicians are unable to treat these mentally ill patients by administering medication on an involuntary basis. The result is a warehousing of untreated patients who pose a risk of harm to health care workers and other psychiatric patients.

Based on the foregoing, your Committee believes that there needs to be a mechanism that will allow treating physicians to administer involuntary psychiatric medication to patients who are involuntarily committed. Your Committee is concerned, however, that every patient has the constitutional right to refuse treatment, and that the interests of a person medicated against his or her will require adequate protection from abuse. In addition, your Committee is concerned that the removal of psychologists as participants in the evaluation and commitment process is both unwise and contrary to the intent of the 1994 Legislature.

Therefore, after much consideration, your Committee has amended this bill by:

- (1) Amending section 334-60.3, Hawaii Revised Statutes (HRS), to provide for the filing of a petition for involuntary medication by the subject's treating psychiatrist;
- (2) Requiring the petition for involuntary medication to be accompanied by a certificate of the treating psychiatrist as well as a licensed non-treating psychiatrist, who both shall have examined the subject within two days of submitting the certificates;
- (3) Specifying the elements to be included by the psychiatrists in the certificates accompanying a petition for involuntary medication;
- (4) Amending section 334-60.5, HRS, to clarify that it applies to both involuntary hospitalization and involuntary medication hearings;
- (5) Removing the provision allowing for the waiver of these hearings;
- (6) Retaining psychologists as participants in the hearing for involuntary hospitalization;

- (7) Deleting the matters upon which a physician must testify from 334-60.5(g), HRS, as these requirements have been set forth in the amendments to section 334-60.3, HRS;
- (8) Including more procedural safeguards in section 334-60.5(k), HRS, relating to the findings that a court must make before ordering involuntary medication;
- (9) Providing that the order for involuntary medication shall authorize the treating physician to administer medication as necessary for treatment, provided that the subject or the subject's representative may petition the court for a hearing to determine the necessity of the medication administered;
- (10) Limiting the order for involuntary medication to ninety days or upon the subject's regaining of competency, whichever is sooner;
- (11) Extending the right of representation by a public defender or other appointed counsel under section 802-1, HRS, to indigent persons who are the subject of a petition for involuntary medication; and
- (12) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3228, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3228, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1277-98 Finance on S.B. No. 2026

The purpose of this bill is to promote Hawaii's small businesses by exempting from the general excise tax, amounts received as grants awarded by the High Technology Development Corporation to supplement federal Small Business Innovation Research Phase I awards or contracts.

HTDC, Oceanit Laboratories, Multipath Systems, High Health Aquaculture, Hawaii Aquaculture Association, Structural Solutions, and Science & Technology International testified in support of this measure. The Department of Taxation and the Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date of the bill to July 1, 1998; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2026, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2026, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Abinsay, Hamakawa, Suzuki and Ward.

SCRep. 1278-98 Judiciary on S.B. No. 2717

The purpose of this bill is to permit the transfer of a person from a youth correctional facility to an adult correctional facility under certain circumstances. Specifically, this measure would authorize the Family Court to:

- (1) Detain in an adult correctional facility a person who committed offenses as a minor but who has subsequently reached the age of majority and commit that person to an adult correctional facility after adjudication; and
- (2) Include in commitment orders that a person who was committed to the Hawaii Youth Correctional Facility while a minor may be transferred to an adult correctional facility when the person reaches age 18 or older.

The Department of the Prosecuting Attorney for the City and County of Honolulu testified in support of the bill. The Judiciary testified in support of the bill with recommended amendments. Comments were received from the Office of the Public Defender. The Department of Public Safety and the Office of Youth Services opposed the bill.

This measure is in response to a Hawaii Intermediate Court of Appeals (ICA) ruling which stated that the family courts may not commit an adult to an adult correctional facility absent statutory authority to do so.

Your Committee believes that it is unclear under current statutes whether a family court judge has the authority to detain an adult who committed an offense while a minor in an adult correctional facility pending trial. However, your Committee believes that by authorizing the Family Court to directly commit a person or to require a mandatory transfer to an adult correctional facility, additional burdens and logistical problems will be created due to the overcrowding which continues to plague Hawaii's correctional system. To avoid further overcrowding, your Committee believes that if a person is determined by a court or the youth correctional facility to be in need of incarceration in an adult correctional facility, there are currently waiver and transfer processes which may be utilized for this purpose.

With this in mind, and after careful consideration, your Committee has amended this bill by:

- (1) Deleting various provisions that authorize the Family Court to provide in a commitment order that a person, upon reaching the age of eighteen, be transferred to an adult correctional facility for a period not to extend beyond the person's nineteenth birthday;
- (2) Clarifying that a district family court judge may make and issue orders detaining, not committing, persons aged eighteen years or older to an adult correctional facility when the person is alleged, but not adjudicated, to have committed a criminal act during the person's minority;
- (3) Clarifying that the district family court judge may make and issue orders detaining persons aged eighteen years or older to an adult correctional facility, when the person is alleged to have committed an act or acts during the person's minority that would constitute a violation or attempted violation of any federal, state, or local law or municipal ordinance; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2717, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2717, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1279-98 Education on S.B. No. 2580

The purpose of this bill is to establish statutorily the Hawaii State Student Council (Council).

The Hawaii State Teachers Association testified in support of the intent of the measure. While concurring with the intent of the bill, the Department of Education expressed a concern about the large number of members of the Council and the associated high costs of conducting monthly meetings.

Your Committee supports the creation of a State student organization to voice student concerns and to develop leadership among youth. However, your Committee is also concerned about the high costs of the Council as envisioned in this bill.

The bill has been amended by:

- (1) Changing the membership of the Council to a minimum of ten students rather than one representative from each public high school;
- (2) Changing the effective date from the approval date to July 1, 2000; and
- (3) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2580, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2580, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1280-98 Energy and Environmental Protection on S.B. No. 2345

The purpose of this bill is to improve the administration and implementation of the State Endangered Species Law.

Specifically, this bill:

- (1) Extends the protection of the State Endangered Species law to proposed and candidate (threatened and endangered) species;
- (2) Requires the Board of Land and Natural Resources to hold a public hearing on the affected island before issuing an incidental take license as part of a habitat conservation plan;
- (3) Requires a two-thirds majority vote of the Board of Land and Natural Resources to approve a federal habitat conservation plan, safe harbor agreement, or incidental take license without requiring a separate State plan, agreement, or license;
- (4) Allows the Department of Land and Natural Resources, rather than the Board of Land and Natural Resources, to enter into a planning process with a landowner for the purpose of preparing and implementing a habitat conservation plan;
- (5) Requires the rights and obligations under a safe harbor agreement to run with the land for the term agreed to in the agreement and to be recorded in the Bureau of Conveyances or the Land Court, as appropriate;
- (6) Extends the jurisdiction and enforcement powers of departmental hearings officers to include all violations of the State endangered species law, rather than only violations of habitat conservation plans, safe harbor agreements, and incidental take licenses; and

- (7) Allows the Chairperson of the Board of Land and Natural Resources, in addition to a departmental hearings officer, to order temporary injunctive relief to immediately enjoin a violation of the State endangered species law.

Your Committee received testimony in support of this bill from the Hawaii Audubon Society and the Hawaii Chapter of the Sierra Club. Your Committee received testimony in opposition to this bill from the Hawaii Forest Industry Association, the Land Use Research Foundation of Hawaii, the Nature Conservancy of Hawaii, and the Department of Land and Natural Resources. The Department of Business, Economic Development, and Tourism and a private individual submitted comments.

Your Committee has amended this bill by deleting its contents and inserting provisions to:

- (1) Require all State agencies to work cooperatively to process applications for habitat conservation plans and safe harbor agreements on a consolidated basis so as to minimize procedural burdens upon the applicant;
- (2) Prevent a habitat conservation plan, safe harbor agreement, or incidental take license from being altered, affected, or amended by subsequent modifications to the law, except with the consent of the landowner; and
- (3) Permit land uses substantially involving or supporting educational ecotourism, that are allowed in an approved habitat conservation plan or safe harbor agreement, by special permit in the agricultural district 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.
- (4) Make a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2345, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2345, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1281-98 Energy and Environmental Protection on S.B. No. 2757

The purpose of this bill is to allow an applicant proposing an action requiring the preparation of an environmental assessment subject to public review and comment, to withdraw the proposed action without responding to the comments of the public.

The City and County of Honolulu, Hawaii Audubon Society, and Hawaiian Electric Company, Inc., testified in support of this bill. The Office of Environmental Quality Control (OEQC) had no objection to this bill, testifying that it would codify and provide an orderly procedure for an activity that is currently authorized under existing rules and practice. OEQC suggested that the bill be amended to apply not only to applicants requesting approval for proposed actions, but also to State agencies whose proposals fall within the environmental impact provisions of the law.

Your Committee believes that there is value in expressly providing for, and giving applicants as well as agencies proposing actions that are subject to the environmental impact law, clear assurance that if a proposed action is withdrawn, there is no continuing obligation to respond to public comment. Your Committee has consequently amended the bill to incorporate the amendment suggested by OEQC.

Your Committee also believes that where a proposal is not withdrawn and the 30-day public comment for environmental assessments does apply, there should be some flexibility in the process to allow for extension of that comment period, especially in cases where projects are complex, technical, or controversial and the extension is requested and benefits the applicant or agency. Accordingly, your Committee has amended this bill to allow the 30-day environmental assessment comment period to be extended by 15 days at the request of the applicant or agency. Your Committee believes that this added flexibility will benefit both the public and those proposing projects subject to the environmental assessment law.

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

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2757, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2757, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Goodenow, Hamakawa, Kanoho and Meyer.

SCRep. 1282-98 Finance on S.B. No. 2363

The purpose of this bill is to enable the State to continue providing quality services by prohibiting the establishing, raising, or lowering of state fees by a department or agency through rulemaking without prior legislative approval.

For purposes of public hearing, your Committee circulated a proposed H.D. 1 version that would:

- (1) Allow the Attorney General to institute proceedings to collect on uncollectible accounts;
- (2) Establish a Collections Special Fund to be used by the Attorney General to pursue and collect delinquent accounts;

- (3) Allow the Attorney General to contract with State agencies for fees, charges, or other payments for the pursuit and collection of delinquent accounts. The moneys collected would be deposited into the Collections Special Fund; and
- (4) Prohibit attorneys fees to be claimed from or paid by the State or counties unless expressly specified by statute.

The Department of the Attorney General supported the proposed draft. The Board of Land and Natural Resources submitted comments on the proposed draft. The Hawaii Health Systems Corporation submitted testimony in support of the original measure. The Office of Information Practices submitted testimony in support of the intent of the original measure.

Upon further consideration, your Committee has amended this measure by incorporating the amendments made in the proposed H.D. 1, along with several technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2363, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2363, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1283-98 Finance on S.B. No. 3006

The purpose of this bill is to authorize collection agencies to collect their fees directly from a delinquent taxpayer when under contract with the Department of Taxation (DOTAX) to collect delinquent taxes.

It is your Committee's intent that DOTAX shall include the authorization for direct fee collection in all initial contracts with collection agencies when applicable.

Your Committee notes that this bill is similar to H.B. No. 3036, H.D. 1, which passed out of the House of Representatives earlier this session. Your Committee has amended this bill by deleting its substance and inserting the contents of H.B. No. 3036, H.D. 1, with several technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3006, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3006, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Abinsay.

SCRep. 1284-98 Finance on S.B. No. 1469

The purpose of this bill is to create an Emergency and Budget Stabilization Fund (Fund) to provide the State with a mechanism to build a financial reserve to be used in an emergency or economic downturn, or when there is an unforeseen reduction in revenues.

The Department of Budget and Finance and the Tax Foundation of Hawaii commented on this measure.

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

- (1) Having the Legislature appropriate not less than 50 percent of the general fund balance in excess of the five percent level to the Fund, instead of having the Director of Finance transfer funds from tax remittances to the Fund;
- (2) Specifying that total general fund expenditures by the State during any fiscal year, including appropriations to the Fund, will not exceed the general fund expenditure ceiling, except as otherwise provided by law;
- (3) Requiring the legislative appropriation of moneys from the Fund for any kind of expenditure; provided that the general appropriations bill or supplemental appropriations bill will not be used to appropriate moneys from the Fund;
- (4) Setting forth the types of appropriations that can be made from the Fund; and
- (5) Making technical and nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1469, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1469, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1285-98 Consumer Protection and Commerce on S.B. No. 2598

The purpose of this bill is to streamline the rulemaking process of the Insurance Division of the Department of Commerce and Consumer Affairs (Division) by providing that the Insurance Commissioner is subject only to the

requirements of Chapter 91, Hawaii Revised Statutes (HRS), in adopting rules to effectuate the Insurance Code, and not subject to the requirements of the Governor, or other person or agency within the executive branch of the government.

The Department of Commerce and Consumer Affairs testified in support of the bill's intent. The State Attorney General submitted comments on the measure. Supportive testimony was received from the Consumer Lawyers of Hawaii.

Testimony from the Division indicated that the average rulemaking process takes one and one half to two years to complete, with a significant portion of this time attributed to compliance with requirements imposed by the executive branch, which are in addition to the requirements of the Administrative Procedure Act, Chapter 91, HRS.

The insurance industry is constantly growing and changing, and the Division must keep abreast of developments in various areas, including mandatory auto insurance, oversight of health insurers, and long term care insurance. Compliance with additional administrative requirements for the adoption of rules impedes the timely completion of the rules and utilizes time and resources that the Division might otherwise spend on meeting its statutory obligations of regulation and consumer protection. Therefore, your Committee finds that this measure is necessary to enable the Division to adopt its administrative rules in an efficient and timely manner.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2598 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 1286-98 Consumer Protection and Commerce on S.B. No. 2840

The purposes of this bill are to:

- (1) Clarify the annual statement and audited statement requirements for association and risk retention captive insurers;
- (2) Require that association and risk retentive captive insurers file an annual risk-based capital report; and
- (3) Require that the actuarial opinion for association and risk retention captive insurers be filed with the annual statement due on or before March 1 of each year.

Supportive testimony was received from the Department of Commerce and Consumer Affairs and Hawaii Captive Insurance Management, Inc..

The provisions in this measure set forth with greater clarity and detail than currently exists in the Insurance Code (Code) the annual statement and audit requirements for association and risk retention captive insurers. Additionally, the requirement that association and risk retention captive insurers file annual risk-based capital reports will assist the Insurance Division in examining and monitoring the adequacy of a captive's capital and surplus. Finally, amending the filing date for actuarial opinions will bring the Code requirement into line with the actual practice of association and risk retention captives and be consistent with the filing requirement of the National Association of Insurance Commissioners for risk retention captives.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2840, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 1287-98 Consumer Protection and Commerce on S.B. No. 2414

The purpose of this bill is to prohibit pawnbrokers from accepting motor vehicles, boats, and homes as pledged goods, or any other pledged goods whose market value exceeds \$5,000 per pawn transaction.

The Department of Commerce and Consumer Affairs, the Hawaii Pawnbrokers Association, and an individual testified in support of this measure. Several individuals testified in support of the intent of this measure. An individual submitted comments.

Your Committee finds that this bill would address a particular type of transaction that has surfaced in Hawaii in the past year; namely, pawn transactions involving motor vehicles. Lenders in a number of states appear to circumvent state usury laws by labelling their transactions as pawns.

In such cases, lenders argue that taking title to a vehicle is tantamount to constructive possession and, therefore, is within the scope of the pawnbroker law. Because a motor vehicle pawn can result in significant finance charges, consumers easily find themselves in default, and may lose vehicles worth significantly more than the underlying pawn transaction.

Your Committee has amended this bill by prohibiting pawnbrokers from accepting motor vehicles, boats, and homes only; prohibition of any other pledged goods, whose market value exceeds \$5,000 in connection with a pawn transaction, was eliminated.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2414, S.D. 1, as amended

herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2414, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Garcia, Tom, Yoshinaga and Pendleton.

SCRep. 1288-98 Consumer Protection and Commerce on S.B. No. 2564

The purpose of the bill is to establish that an agreement to provide indemnification given in exchange for a bond does not constitute a premium, and therefore, the bonding agreement does not constitute insurance as defined in section 431:1-201, Hawaii Revised Statutes (HRS).

Supportive testimony was received from Honsador Lumber Company, the Building Industry Association of Hawaii, and the Hawaii Bankers Association. The Department of Commerce and Consumer Affairs testified in support of the bill's intent, but expressed concerns. Testimony in opposition to the bill and comments were received from several individuals.

Testimony indicated that it is common practice for building material supply houses to provide residential construction bonds to contractors who are unable to secure bonding from a commercial surety. Lenders require that the contractor be bonded as a condition of providing the consumer with construction financing. In exchange for the performance bond, under which the supply house must complete construction if the contractor fails to meet its obligation, the supply house requires a promise of indemnification from the contractor and requests that the contractor purchase its supplies from the supply house.

This bill provides that the agreement to indemnify given in exchange for the bond does not constitute a premium, and therefore, the bond agreement is not an insurance transaction that brings the supply house under the Insurance Code, Chapter 431, HRS.

Your Committee is aware, however, that supply houses may issue performance bonds that require a promise of indemnification from the homeowner in addition to that required from the contractor. These types of transactions present the potential for significant harm to consumers/homeowners because few consumers/homeowners can afford to invoke the performance bond in the event of a contractor's failure to meet its obligations. Invoking the bond would require the homeowner, who is already in debt to the lender, to reimburse the supply house for completing construction. Those homeowners unable to incur such a financial hardship would not pursue the supply house in order to complete the construction contract and would be left with an unfinished home or renovation.

In order to discourage bond agreements that seek indemnification from the homeowner, your Committee has amended this bill by inserting a provision that establishes as a deceptive trade practice the use of an agreement that eliminates or diminishes the protection that a bond provides to a homeowner for home construction or improvements. Your Committee has also made technical amendments to the bill and inserted a provision related to the bill's purpose. As amended, the contents of this bill are replaced with the language of H.B. No. 2675, H.D. 2, a measure that was passed earlier by the House of Representatives.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2564, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2564, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1289-98 Consumer Protection and Commerce on S.B. No. 2588

The purpose of this bill is to improve licensing requirements for veterinarians by:

- (1) Replacing the state constructed written exam with the National Veterinarian Examinations as approved by the Board of Veterinary Examiners (Board); and
- (2) 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.

The Department of Commerce and Consumer Affairs (DCCA) and the Board submitted comments on the measure. A concerned individual testified in opposition to the bill.

It is your Committee's understanding that the state constructed written examination currently required for veterinarian licensure is one of five state constructed examinations required by the DCCA for professional licensing. In the past, a state constructed examination was criticized for a lack of comprehensive and objective criteria to adequately determine the skills being tested. In addition, accusations were made that inadequate material was provided to prepare for the examination. Therefore, DCCA has been actively questioning the need for the state constructed exam given the availability of other nationally accepted and recognized licensing exams.

Currently, the Board requires all applicants to pass the National Board Examination (NBE) and the Clinical Competency Test (CCT) in addition to the state constructed exam. DCCA has questioned this duplicative testing requirement and has attempted to eliminate the state constructed exam as a prerequisite for licensing. The Board, however, contends that the exams are necessary due to a need for specialized questions not covered by the national exams. The subject matter for the state constructed exam includes problems common or unique to Hawaii, such as poisonous plants, parasites, and diseases that occur frequently in Hawaii.

Twenty-five percent of the state constructed exam consists of questions on the Board's and the Agriculture Department's laws and rules. Your Committee agrees with the recommendation of DCCA to replace the portion of the exam that covers Board and State laws and rules with a self-certification provision acknowledging the applicant has read, understood, and agrees to comply with the licensing laws and rules of the Board and State.

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

- (1) Retaining the licensure examinations prescribed by the Board, which include the state constructed exam, the NBE, and the CCT, by deleting the National Veterinarian Examinations veterinarian licensure requirement; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2588, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2588, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Garcia, Tom, Yoshinaga and Pendleton.

SCRep. 1290-98 Consumer Protection and Commerce on S.B. No. 2602

The purpose of this bill is to improve licensing requirements for professional landscape architects by:

- (1) Replacing the state constructed written exam with the National Landscape Architect Licensing Examinations; and
- (2) 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 (Board) requires for licensure.

The Department of Commerce and Consumer Affairs (DCCA) submitted comments on the measure. The Board, the Hawaii Chapter of the American Society of Landscape Architects, and a concerned individual testified in opposition to the bill.

It is your Committee's understanding that the state constructed written examination currently required for landscape architect licensure is one of five state constructed examinations required by DCCA for professional licensing. In the past, a state constructed examination was criticized for a lack of comprehensive and objective criteria to adequately determine the skills being tested. In addition, accusations were made that inadequate material was provided to prepare for the examination. Therefore, DCCA has been actively questioning the need for the state constructed exam given other nationally accepted and recognized licensing exams.

Currently, the Board requires all applicants to pass the National Landscape Architect Exam (LARE) in addition to the state constructed exam. DCCA has questioned this duplicative testing requirement and has attempted to eliminate the state constructed exam as a prerequisite for licensing. The Board, however, contends that both exams are necessary due to a need for specialized questions not necessarily covered by the LARE. The compromise has been a combined effort in improving the state constructed exam resulting in two separate exams consisting of:

- (1) An exam on identification of plants and materials found in Hawaii; and
- (2) A take home exam which asks questions on the Board's laws and rules.

Your Committee agrees with the recommendations of DCCA to replace the take home exam on Board laws and rules with a self-certification provision acknowledging the applicant has read, understood, and agrees to comply with the licensing laws and rules of the Board.

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

- (1) Retaining the statutory requirement of a written examination, prescribed by the Board, for landscape architect licensure;
- (2) Deleting the statutory requirement of LARE for landscape architect licensure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2602, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2602, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Garcia, Tom, Yoshinaga and Pendleton.

SCRep. 1291-98 Consumer Protection and Commerce on S.B. No. 2610

The purpose of this bill is to improve licensing requirements for professional land surveyors by:

- (1) Replacing the state constructed written exam with the National Land Surveyor Licensing Examinations; and

- (2) 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 (Board) requires for licensure.

The Department of Commerce and Consumer Affairs (DCCA) submitted comments on the measure. The Board, the Department of Accounting and General Services, the Office of Hawaiian Affairs, Title Guaranty of Hawaii, AIA Hawaii State Council, the Consulting Engineers Council of Hawaii, Fewell Geotechnical Engineering, Ltd., the Hawaii Association of Land Surveyors, Inc., and numerous private companies and concerned individuals testified in opposition to the bill.

It is your Committee's understanding that the state constructed written exam currently required for land surveyor licensure is one of five state constructed exams required by DCCA for professional licensing. In the past, a state constructed exam was criticized for a lack of comprehensive and objective criteria adequate to determine the skills being tested. In addition, accusations were made that inadequate material was provided to prepare for the examination. Therefore, DCCA has been actively questioning the need for the state constructed exam given other nationally accepted and recognized licensing exams.

Currently, the Board requires all applicants to pass the National Council of Examiners for Engineering and Surveying (NCEES) exam in addition to the state constructed exam. DCCA has questioned this duplicative testing requirement and has attempted to change the content and form of the state constructed exam. The Board, however, contends that both exams are necessary due to a need for specialized questions not necessarily covered by the NCEES exam. The state constructed exam consists of three separate tests covering:

- (1) Hawaii land matters such as land tenureship, land laws, recordation systems such as Land Court and File Plan, shoreline certification rules, and the translation of original land title documents written in the Hawaiian language;
- (2) Licensing laws and rules; and
- (3) Special problems consisting of an essay type problem to write a land description based on Hawaii standards and problems requiring mathematical computations.

It is your Committee's understanding that both DCCA and the Board agree that the first part of the state constructed exam covering Hawaii land matters is essential to the land surveying practice in Hawaii and should be retained.

In addition, it is your Committee's understanding that both DCCA and the Board agree with the recommendations of DCCA to replace the second part of the exam on licensing laws and rules with a self-certification provision acknowledging that the applicant has read, understood, and agrees to comply with the licensing laws and rules of the Board.

Your Committee finds that the concerns of DCCA regarding the third part of the state constructed exam are legitimate concerns given the past lawsuit which cost the State \$300,000 and eleven years of federal court supervision. DCCA testified that the format and content of the third part of the exam exposes the State to a potential lawsuit due to the subjective grading standards and duplicative content.

Therefore, your Committee finds that the state constructed exam should be a multiple choice exam which eliminates any subjective grading element and should cover the subjects of Hawaii land matters and Hawaii land descriptions, thus eliminating any duplication with national licensing exams.

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

- (1) Retaining the examinations required for licensure as prescribed by the Board which would include the state constructed exam on Hawaii land matters and land descriptions and the NCEES exam;
- (2) Specifying that the state constructed exam be a multiple choice exam and limiting the subject matter to questions covering Hawaii land matters and Hawaii land descriptions; and
- (3) Making nonsubstantive, technical amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2610, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2610, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Garcia, Saiki, Tom, Yoshinaga and Pendleton.

SCRep. 1292-98 Consumer Protection and Commerce on S.B. No. 2821

The purpose of this bill, as received, is to amend the Code of Financial Institutions to:

- (1) Require that the assumption of the deposits of a Hawaii financial institution be subject to the State's Code of Financial Institutions;
- (2) Prohibit Hawaii financial institutions and financial institution holding companies from acquiring the assets, or assuming the liabilities of another company except as currently provided;

- (3) Authorize under certain conditions, an out-of-state financial institution to merge with another Hawaii depository financial institution or trust company, or a nondepository financial services loan company to merge with another corporation;
- (4) Allow a nondepository financial services loan company license to be issued to the resulting financial institution in a merger or consolidation upon compliance with all applicable laws;
- (5) Require Hawaii financial institutions to obtain written approval prior to acquiring or assuming all or substantially all of the assets, liabilities, or deposits of another company; and
- (6) Require that the transfer of a Hawaii financial institution in a sale, disposition, or transfer of its assets, business, deposits, or liabilities be subject to Chapter 415, Hawaii Revised Statutes.

The Department of Commerce and Consumer Affairs commented on the bill.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting language that would establish a Foreign Capital Depository Task Force within the Department of Business, Economic Development, and Tourism which will:

- (1) Consist of at least seven members, including the Director of Business, Economic Development, and Tourism who will serve as the lead chairperson of the task force and the heads of the following offices or their designee:
 - (A) The Department of Taxation;
 - (B) The Department of the Prosecuting Attorney for the City and County of Honolulu;
 - (C) The Division of Financial Institutions, Department of Commerce and Consumer Affairs;
 - (D) The Department of the Attorney General; and
 - (E) The Honolulu Police Department;

along with a member of the banking community designated by the Director of Business, Economic Development, and Tourism and any additional task force members as the Director deems appropriate;
- (2) Serve until it has accomplished the objectives outlined in the measure but no longer than twenty days prior to the convening of the regular session of 1999;
- (3) Investigate the feasibility of chartering foreign capital depositories in the State under the Code of Financial Institutions including:
 - (A) Business opportunities resulting from the chartering of foreign capital depositories;
 - (B) Marketing requirements necessary to attract foreign depositories;
 - (C) Necessary changes in Hawaii law to attract foreign depositories while deterring possible criminal activity;
 - (D) Costs in administering a foreign capital depositories law;
 - (E) Expected benefits to the State;
 - (F) The use of the Montana law as a foundation for prospective Hawaii legislation;
 - (G) Identification of the potential for criminal misuse of foreign capital depositories;
 - (H) Examination of alternative entities or mechanisms; and
 - (I) Taxation considerations with respect to foreign capital depositories;

and
- (4) Submit a report of its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 1999.

Your Committee finds that it is in the public interest to attract foreign capital to the State for investment, revenue enhancement, and other economic development purposes. One such approach to attracting foreign capital is through foreign capital depositories. Before any further legislative consideration is given to this idea, however, it is necessary for the Legislature to determine the feasibility and ramifications of chartering foreign capital depositories in the State. This measure convenes a task force specifically for this purpose.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2821, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2821, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1293-98 Consumer Protection and Commerce on S.B. No. 3113

The purpose of this bill is to provide for a more balanced representation of commercial owners and residential owners on the Board of Directors of a mixed-use condominium building. Specifically, the bill authorizes the bylaws of an Association of Apartment Owners (AOAO) to be amended to provide for a Board composition that reflects the proportionate number of apartments for a particular use.

Supportive testimony was received from the Real Estate Commission, the Community Associations Institute, and several individuals. Comments on the measure were submitted by an individual.

Testimony indicated that in mixed-use buildings, the interests of commercial owners and residential owners often conflict. Under these conditions, the potential exists for one group to gain control of the Board and abuse its power by favoring its own interests over the collective interests of all owners. By requiring that the Board's composition reflect the proportionate number of apartments for a particular use, the potential for such abuse is limited.

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

- (1) Adding language that authorizes an AOAO's bylaws or a condominium's declaration to require that:
 - (a) The vote of a commercial apartment owner be cast and counted only for the commercial seats on the Board; and
 - (b) The vote of a residential apartment owner be cast and counted only for the residential seats on the Board;
 and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3113, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3113, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1294-98 Consumer Protection and Commerce 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 (Bureau) in lieu of registration with the Land Court.

The Department of Land and Natural Resources (DLNR) testified in support of this bill, and the Department of Commerce and Consumer Affairs supported its intent.

DLNR testified that the Land Court was established to register title to real property, and that the registration process includes the issuance of a certificate for these ownership interests. Time shares include use periods which subsequently affect the certificates issued in Land Court. Since these additional time share interests do not affect fee title ownerships, recording these interests in the Regular System will simplify the recordation process without removing an owner's right in the time share.

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

- (1) Designating a new part to be added to Chapter 501, Hawaii Revised Statutes;
- (2) Requiring recordation of:
 - (A) Any deed or other instrument conveying, encumbering, or otherwise dealing with the fee interest in registered land;
 - (B) The designation, grant, conveyance, transfer, cancellation, relocation, realignment, or amendment of any easement encumbering the fee interest;
 - (C) Any other instrument mortgaging the sublessor's estate or any other estate which is prior and superior to the leasehold time share interest;
 - (D) Any other instrument assigning, modifying, canceling, or otherwise dealing with an interest in registered land which is less than an estate in fee simple, and prior or superior to the lessee's interest in a leasehold time share interest;
 - (E) Any declaration of annexation or deannexation, any declaration of merger, and any instrument effecting a merger;
 - (F) Any declaration of covenants, conditions, and restrictions or similar instrument encumbering the fee, the bylaws of any homeowners association, any declaration of annexation or deannexation, any amendments and supplements thereto, and any cancellation or extinguishment thereof;

- (G) Any declaration of covenants, conditions, and restrictions or similar instrument establishing the bylaws of the time share owners association, any declaration of annexation or deannexation, any amendments and supplements thereto, and any cancellation or extinguishment thereof; and
- (H) Any notice of time share plan or any declaration of annexation or deannexation;
- (3) Providing that the registration of an amendment or termination of a lease first be subject to verification that it was signed by the lessee through court order, affidavit, or by order from authorized officers of the time share owners association;
- (4) Clarifying that the rights of the parties to an apartment lease are not changed by this Act;
- (5) Clarifying that the requirement of recording leasehold time share interests through the Regular System does not mean that it is not an interest in real property;
- (6) Clarifying that where a mortgage or other instrument covers both Land Court and Regular System property, it can be recorded in both places;
- (7) Requiring the first conveyance out of the Land Court to refer to the Land Court document number of the leasehold time share interest being conveyed;
- (8) Clarifying the document number to be referred to in both the Land Court and the Regular System;
- (9) Clarifying that legal incidents of a leasehold time share interest are not changed by this Act;
- (10) Providing that an owner may deal with title to a leasehold time share interest as with any other property;
- (11) Requiring an instrument affecting a leasehold time share interest to be recorded in order to be effective;
- (12) Designating court jurisdiction over matters pertaining to leasehold time share interests;
- (13) Extending the effective date of this Act to July 1, 1999; and
- (14) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee finds that this measure, as amended, will help delete the backlog of Land Court recordings that currently exists in the Bureau. By shifting the system used to record time share interests from the Land Court to the Bureau, the Bureau can improve its efficiency and eliminate any backlog of interests awaiting recordation.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3159, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3159, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1295-98 Consumer Protection and Commerce and Judiciary on S.B. No. 682

The purpose of this bill is to provide a fairer system of lien priority for condominium associations by giving condominium association liens limited priority for six months of maintenance fees.

Supportive testimony was submitted by the Real Estate Commission, the Hawaii Council of Associations of Apartment Owners, the Community Associations Institute, the Hawaii Association of Realtors, the Makaha Valley Plantation Board of Directors, the American Association of Retired Persons, Elisha Ekimoto and Harada, and several individuals.

Testimony in opposition to the bill was submitted by the Hawaii Bankers Association and the Housing Finance and Development Corporation. The Mortgage Bankers Association proposed an amendment to the bill.

Your Committees find that condominium associations represent approximately 124,000 units statewide, and nearly all of them will be affected by this bill.

During most condominium foreclosures, which last approximately twelve months, the association receives nothing. At the end of the foreclosure, the association usually receives nothing because the current law gives the mortgagee priority over the association's lien, therefore all the sales proceeds go to the mortgagee, with little or nothing leftover to pay other lienholders.

The present statute expressly states that the other owners must pay the maintenance fees for the apartment being foreclosed. These maintenance fees pay for the insurance for the project, maintenance of the common elements, water and other utilities, building repairs, and even a portion of the future repair costs. In short, the other apartment owners pay for the cost of maintaining the foreclosed apartment which is the security for the mortgagee's loan. This places an unfair burden on apartment owners who are often barely able to pay their own share of the common expenses, and in condominiums with several units in foreclosure, can result in a deterioration of the entire complex.

Under this bill, the other apartment owners will not be repaid for all of the expenses incurred in taking care of the mortgagee's security, but in the interest of fairness, the apartment owners will collect something. This bill proposes to

split the apartment owners' out-of-pocket expenses incurred during the twelve months that the average foreclosure lasts. The association receives six months of the maintenance fees and the remainder goes to the mortgagee.

The Legislatures of thirteen other states (Alaska, Colorado, Connecticut, Florida, Minnesota, Nevada, New Jersey, West Virginia, Pennsylvania, Rhode Island, Massachusetts, Oregon, and Washington) and the District of Columbia have already recognized the fairness of this approach, giving condominium owners a similar right. Your Committees believe that apartment owners in Hawaii deserve the same right as owners in these states.

Fannie Mae, Freddie Mac, the Veterans Administration and the Federal Home Association buy or insure mortgages in these states and have indicated that a similar provision in Hawaii's law will not affect the purchase or insuring of mortgages in Hawaii.

Your Committees have amended this bill by conforming its language to the language that is contained in the Uniform Condominium Act and the Uniform Common Interest Ownership Act, and that has been approved by Fannie Mae and Freddie Mac. This amendment eliminates the requirement that an acquirer of a foreclosed apartment is jointly and severally liable for an additional six months of maintenance fees.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 682, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 682, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hiraki, Jones, Saiki and Yoshinaga.

SCRep. 1296-98 Consumer Protection and Commerce and Judiciary on S.B. No. 2297

The purpose of this bill is to establish guidelines to ensure that quality managed health care is provided to patients by:

- (1) Defining patient rights;
- (2) Requiring the establishment of a grievance procedure to address patient complaints;
- (3) Requiring certain information to be provided to all plan enrollees; and
- (4) Requiring the establishment of procedures for the continuous review of care quality and utilization of services provided by managed care plans.

The Hawaii Public Health Association and the Hawaii Medical Association testified in support of the bill. The Department of Commerce and Consumer Affairs, Hawaii Nurse Midwives, the American Association of Retired Persons, the Hawaii Coalition for Health, and a concerned individual testified in support of the bill and submitted amendments for consideration. The Hawaii Medical Service Association, Kaiser Permanente, and the Hawaii Nurses' Association supported the intent of the bill and suggested amendments for consideration. Queen's Health Management testified in opposition to this bill. The Consumer Lawyers of Hawaii and the Legal Aid Society of Hawaii commented on the measure.

Your Committees find that managed care patients need help negotiating the complex system of managed health care. Managed care plans were developed as a means of reducing the costs of medical care. However, these cost-reducing procedures often result in complications or loss of quality of health care for the consumers. This measure will provide patient protections, including health care rights and standards, which will help to balance the quality of health care received with the cost-reducing measures implemented by managed care plans.

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

- (1) Amending the title of the new chapter to read: "HAWAII PATIENT BILL OF RIGHTS AND RESPONSIBILITIES ACT";
- (2) Defining "health maintenance organization";
- (3) Allowing women's health services to include services provided by certified nurse-midwives and advance practice nurses;
- (4) Deleting the requirement for payment or reimbursement of out-of-area services, since some plans do not provide this coverage;
- (5) Deleting the provision to allow an enrollee's family, guardians, or conservators to participate in treatment decisions;
- (6) Deleting the requirement that plans discuss treatment options with enrollees in a "culturally competent manner", since the definition of "culturally competent" is unclear;
- (7) Removing the alternative that a member of the managed care plan other than the provider be allowed to discuss living wills and durable powers of attorney, since this responsibility should belong to the provider;
- (8) Adding references to chapter 327D and section 551D-2.5, Hawaii Revised Statutes, which relate to declarations for medical treatment decisions (living wills) and durable powers of attorney for health care decisions, respectively;

- (9) Amending the grievance procedure requirements to:
- (A) Replace the term "grievance" with "complaints and appeals"; and
 - (B) Simplify the procedure to ensure that the procedure is understandable to the average layperson and available in languages other than English;
- (10) Specifying that the information supplied to enrollees includes a listing of participating providers, each provider's specialty, and whether Board certification was attained;
- (11) Requiring the plan to notify enrollees of "material changes" in the plan's operation in place of "significant changes" and amending the definition accordingly;
- (12) Requiring that the confidentiality of medical information applies to managed care plans;
- (13) Establishing standards for performance measurement and data reporting for managed care plans;
- (14) Enumerating consumer responsibilities to encourage all citizens to preserve their own health;
- (15) Requiring the Insurance Commissioner to establish a task force to review the laws protecting consumer rights and responsibilities in regard to health care and recommend if any further action is needed to ensure that Hawaii's consumers are provided the same level of protection as provided by the national standard declared in the President's "bill of rights" in regard to health care; and
- (16) Extending the effective date of this Act to July 1, 2010, to give managed care plans time to comply with this Act.

Your Committees have also made nonsubstantive, technical amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2297, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2297, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Garcia, Herkes, Hiraki, Jones, Tom, Pendleton and Thielen.

SCRep. 1297-98 Consumer Protection and Commerce and Judiciary on S.B. No. 2411

The purpose of this bill is to allow flexibility and discretion to judges in sentencing motor vehicle insurance law violators by allowing judges to suspend any penalty, or grant community service in lieu of any penalty, when the judge finds that a violation was beyond the person's control or was due to undue hardship.

The Mayor of the County of Hawaii and one individual submitted testimony in support of this measure. The Judiciary supported the intent of this measure, but had concerns regarding its implementation given its present language. Your Committees received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs and the Department of the Prosecuting Attorney of the City and County of Honolulu. State Farm Insurance Companies submitted comments.

Your Committees believe that the current economic crisis in Hawaii is contributing to an increase in the number of drivers who cannot afford motor vehicle insurance. Many drivers who cannot afford motor vehicle insurance realize that they are in violation of the law; however, they require transportation to sustain employment or provide for daily living needs. Big Island residents are especially vulnerable due to the lack of public transportation and extended distances. The District Court in the Third Circuit of the Big Island estimated the number of cases of uninsured drivers who cannot afford motor vehicle insurance to be 500 cases per month.

Current law allows judges the discretion to suspend fines for a first offense or grant community service in lieu of a fine for first and subsequent offenses. However, the law does not allow judges to waive the fine after the first offense.

Your Committees received testimony from the Judiciary stating a concern that language such as "beyond the person's control" or "due to undue hardship" is unclear and would be impossible to implement in a fair manner.

In addition, your Committees find that the high cost of maintaining proof of financial responsibility poses an undue hardship on drivers struggling to afford basic motor vehicle insurance.

Your Committees have amended this measure by:

- (1) Allowing judges to suspend all or a portion of fines, or grant community service in lieu of any fine, for a motor vehicle insurance violation regardless of the number of offenses if the defendant provides proof of having a current motor vehicle insurance policy;
- (2) Deleting the language where a judge must determine that a violation was beyond the person's control or was due to undue hardship;

- (3) Eliminating the requirement for offenders convicted of a subsequent offense of driving without a valid motor vehicle insurance policy, within a five year period of any prior conviction, to maintain proof of financial responsibility; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2411, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2411, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hiraki, Jones and Saiki.

SCRep. 1298-98 Consumer Protection and Commerce and Judiciary on S.B. No. 3105

The purpose of this bill is to:

- (1) Authorize the Insurance Commissioner to reduce or adjust rates for any lines of insurance regulated under section 431:14-102, Hawaii Revised Statutes (HRS), if rates are determined to be excessive, inadequate, or unfairly discriminatory;
- (2) Establish the right to an administrative hearing for an insurer that objects to a rate adjustment; and
- (3) Permit the consolidation of hearings to address multiple objections.

Supportive testimony was submitted by the Department of Commerce and Consumer Affairs and the Consumer Lawyers of Hawaii. Testimony in opposition to the bill was received from State Farm Insurance Companies and Hawaiian Insurance and Guaranty, Ltd.

In response to recent reports from the National Association of Insurance Commissioners of the high level of profits being enjoyed by insurers in the homeowners' insurance market, the Insurance Division is seeking the same authority to adjust rates for lines of insurance regulated under 431:14-102, HRS, including property and casualty insurance, that the Legislature granted the Insurance Division last session in Act 251, Session Laws of Hawaii 1997, with respect to motor vehicle insurance.

Upon careful consideration, your Committees have amended the bill by replacing its substantive contents with language that:

- (1) Authorizes the Commissioner to mandate the submission of new rate filings for any type of insurance regulated under section 431:14-102, HRS, based upon actuarially sound information that current rates are excessive, inadequate, or unfairly discriminatory;
- (2) Requires insurers to submit a new filing within 120 days of the Commissioner's mandate; and
- (3) Provides that the new rate filings are subject to the rate filing requirements of section 431:14-104, HRS.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3105, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3105, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hiraki, Jones, Saiki and Yoshinaga.

SCRep. 1299-98 Finance on S.B. No. 2774

The purpose of this bill is to improve the efficiency of the public procurement law by consolidating the procurement requirements of Chapter 103, Hawaii Revised Statutes (HRS), into Chapter 103D, HRS.

The State Procurement Office submitted testimony in support of this measure. The Housing Finance and Development Corporation and the Department of Housing and Community Development of the City and County of Honolulu submitted comments.

Your Committee notes that this measure is similar to H.B. No. 2758, H.D. 1, which passed out of the House of Representatives earlier this session. Upon further consideration, your Committee has amended this measure by deleting the substance and inserting the contents of H.B. No. 2758, H.D. 1, with the following revisions:

- (1) Exempting contracts between a public agency and qualified community rehabilitation program from county administration, civil service, compensation, and collective bargaining laws; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2774, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2774, S.D. 3, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1300-98 Finance on S.B. No. 2292

The purpose of this bill is to:

- (1) Transfer moneys in various special and revolving funds to the State general fund; and
- (2) Repeal the Employment and Training Fund and transfer moneys in the Employment and Training Fund to the Special Unemployment Insurance Administration Fund.

For purposes of the public hearing, your Committee circulated a proposed H.D. 1, based on H.B. No. 1533, H.D. 2, which was passed out of the House of Representatives earlier this session after a public hearing before this Committee. The proposed H.D. 1 authorizes the transfer of excess moneys from the Dwelling Unit Revolving Fund, the Homes Revolving Fund, the Hawaii Agricultural Loan Revolving Fund, the Hawaii Capital Loan Revolving Fund, and the Special Land and Development Fund to the State general fund in fiscal year 1998-1999.

The Department of Budget and Finance and the Department of Land and Natural Resources supported the proposed measure.

Your Committee has amended this measure by:

- (1) Incorporating the substance of the proposed H.D. 1 circulated during the public hearing; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2292, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2292, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1301-98 Finance on S.B. No. 2063

The purpose of this bill is to create a more efficient system of land use planning by redefining the relationship of the State and Counties with regard to land planning and use.

Among other things, this bill would:

- (1) Rename the Land Use Commission (LUC) the State Planning Commission to emphasize its broad statewide planning focus;
- (2) Mandate the preparation and adoption of a State land use strategy document to guide land use decision-making by the State and Counties;
- (3) Establish the Important Agricultural Lands Commission to develop criteria, standards, and procedures for the designation of important agricultural lands, and to guide decision-making involving designated important agricultural lands;
- (4) Clarify the responsibilities and jurisdiction for the State and respective County planning agencies for the land use district;
- (5) Provide for a one-time reclassification of lands into land use districts;
- (6) Eliminate the provision of special permits within the Agricultural and Rural District; and
- (7) Repeal the provision allowing the respective Counties to reclassify lands that are 15 acres or less.

The Hawaii Farm Bureau Federation testified in support of this measure. The Hawaii Association of Realtors supported the intent of this measure. The Land Use Commission, the Department of Business, Economic Development, and Tourism, the Hawaii Business Roundtable, the Land Use Research Foundation of Hawaii, the Department of the Attorney General, Alexander & Baldwin, and the American Planning Association, Hawaii Chapter, commented on this measure. The Office of Hawaiian Affairs, the Planning Department of the City and County of Honolulu, Hawaii's Thousand Friends, and the Sierra Club, Hawaii Chapter, testified in opposition to this measure.

Your Committee has amended this bill by replacing its entire contents. Specifically, this bill was amended by:

- (1) Specifying that when the LUC sets standards for the establishment of agricultural district boundaries, those lands with a high capacity for economically viable and intensive cultivation will be included;
- (2) Requiring the LUC to process district boundary amendments for all conservation lands and all other lands involving areas greater than 150 acres;

- (3) For agricultural, rural, and urban district lands of 150 acres or less, authorizing the County land use decision-making authority to process the reclassification petitions;
- (4) Requiring the LUC, upon the proper filing of a petition to change district boundaries, to conduct a hearing on the petition within not more than 90 days;
- (5) Requiring intervenors to have an ownership interest in the land at issue or a more substantial nexus of interest;
- (6) Requiring intervention requests to be submitted in writing to the LUC for consideration no later than 30 days after the date the petition for boundary change is filed with the LUC;
- (7) Limiting LUC interventions to contesting matters of State interest;
- (8) Requiring the LUC to act on a petition within not more than 180 days after the proper filing of a petition;
- (9) Changing the burden of proof in favor of approval of the proposed boundary amendment;
- (10) Allowing a court to reverse or modify a LUC finding if the finding appears to be arbitrary, capricious, and a clear abuse of discretion;
- (11) Limiting the LUC to making reclassification determinations and prohibiting the LUC from engaging in zoning matters reserved or granted to the counties;
- (12) Changing the burden of proof in favor of approval of special permits by a County Planning Commission unless the use would cause irreparable injury;
- (13) Allowing, instead of requiring, the Department of Taxation to give consideration to the use or uses that may be made when making property tax assessments;
- (14) Deleting the requirement that the LUC consider the impact of the proposed reclassification on areas of State concern in its review of any petition for reclassification of district boundaries; and
- (15) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2063, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2063, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Goodenow, Hamakawa and Meyer.

SCRep. 1302-98 Finance on S.B. No. 2259

The purpose of this bill is to provide a small business income tax credit equal to 50 percent of the amount spent on advertising. The bill also provides an unspecified cap amount for the tax credit.

The Department of Taxation testified in opposition to this measure. The Department of Business, Economic Development, and Tourism, the Office of Hawaiian Affairs, and the Hawaii Business League testified in support of this measure.

Your Committee finds that providing an income tax credit for advertising is not an effective way to stimulate economic activity. Hawaii's economy has been mired in an economic slump for seven consecutive years. As a result of the State's lagging economy, there have been significant job losses, declining wages and salaries, business closures, and a flat tax base resulting from a drop in real income. Your Committee further finds that these factors have imposed considerable day-to-day hardships on the community at-large.

Recognizing that to do nothing would be tantamount to further economic hardship and failure, the House Speaker, the Senate President, and the Governor convened a group of top business, labor, and community leaders to look at ways of improving Hawaii's ailing economy during the summer of 1997. Known as the Economic Revitalization Task Force (Task Force), the twenty-six members of this group worked long and hard to come up with an integrated economic reform package, which was presented to the Nineteenth Legislature prior to the beginning of the 1998 Regular Session.

The premise of the Task Force's recommendations rested on four objectives:

- (1) Reducing the cost of living and doing business in Hawaii;
- (2) Improving the regulatory climate and efficiency of government;
- (3) Strengthening the marketing and promotion of tourism, the State's key industry; and
- (4) Making structural changes to improve Hawaii's education system.

These objectives led the Task Force to make several recommendations to improve the ailing economy in the areas of taxes, regulations, education, tourism, government services, and Hawaiian issues.

Your Committee acknowledges with appreciation the contributions of the many people, including the members of the Task Force and its several work groups, who volunteered their time and expertise in working together to help move our economy forward.

Upon careful deliberation and full discussion, your Committee has amended this bill by deleting its substance and inserting provisions that seek to restructure Hawaii's tax system.

This measure has been amended to:

- (1) Reduce personal income tax rates by:
 - (A) Lowering the top rate of 10 percent to 8.5 percent and lowering the rates for the lowest tax brackets by 25 percent in the first two years of implementation; and
 - (B) Further lowering the top rate to eight percent in the third year and the rates for the lower brackets by 35 percent;
- (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;
- (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; and
- (22) Making other technical, nonsubstantive amendments.

The significant reduction in the income tax rates will provide \$229 million savings in the first two years and \$323 million savings from the third year on. The net result of replacing the food tax credit with the new refundable low income tax credit will be an additional \$42 million in tax relief for the lower income taxpayers. The savings from these two major tax reforms will more than offset the impact of the raising of the GET by one-half of one percent.

Because of the significant reduction in the personal income tax rates provided in this bill, your Committee strongly recommends to Hawaii's employers to lower the income tax withheld from their employees' paychecks to provide immediate tax relief to Hawaii's people.

Your Committee also urges that the Department of Business, Economic Development, and Tourism ensure a smooth transition as the Tourism Board assumes its duties and responsibilities. This transition should be made in partnership with the Hawaii Visitors and Convention Bureau.

Your Committee finds that this bill, as amended, will provide a tax cut of over \$400 million over a three year period, and set the foundation for the long term benefit of the State.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2259, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2259, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1303-98 Consumer Protection and Commerce on S.B. No. 1946

The purpose of this bill, as received by your Committee, is to perpetuate traditional Hawaiian healing practices by:

- (1) Convening a panel of representatives from Hawaiian organizations to address issues and recommend legislation relating to traditional Hawaiian healing practices; and
- (2) Authorizing the practice of alternative health care performed by a traditional Hawaiian healer of Hawaiian ancestry who learned Hawaiian healing practices from Hawaiian elders and oral tradition passed on by previous generations.

The Office of Hawaiian Affairs, the Hawaii Health Foundation, Papa Ola Lokahi, and three individuals testified in support of the bill. The Board of Medical Examiners commented with no objection to the measure.

Your Committee finds that the practice of traditional Hawaiian healing is in jeopardy if these practices are not passed along to students committed to perpetuating the art. Current law does not permit the practice of traditional Hawaiian medicine, since there are no provisions regulating or licensing this type of medical practice. This measure provides traditional native Hawaiian healers with a temporary exemption from current law prohibiting unlicensed medical practice. This measure further calls for the convening of a panel of representatives from Hawaiian organizations to organize and structure a feasible mechanism of defining, certifying, regulating, and perpetuating traditional Hawaiian medicine practices.

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

- (1) Specifying that only traditional native Hawaiian healers recognized and certified by the panel convened by Papa Ola Lokahi are allowed to perform traditional Hawaiian healing practices;
- (2) Limiting the panel convened by Papa Ola Lokahi to traditional native Hawaiian healers;
- (3) Eliminating the requirement that the panel establish appropriate Hawaiian blood quantum levels necessary for a person to perform traditional Hawaiian healing practices under this measure;
- (4) Eliminating the requirement that the panel determine certification requirements for the authorization of a person to perform traditional Hawaiian healing practices;
- (5) Shortening the time period authorizing the practice of traditional Hawaiian healing methods by changing the repeal date to July 1, 2000; and
- (6) Making nonsubstantive, technical amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1946, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1946, S.D. 1, H.D. 2.

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

SCRep. 1304-98 Consumer Protection and Commerce on S.B. No. 2761

The purpose of this bill is to facilitate compliance with the motorcycle liability insurance coverage requirement by providing that a motorcycle education course that is approved by the installation commander of any United States Armed Services Branch and meets all standards for the Motorcycle Safety Foundation (MSF) Motorcycle Rider Course Riding and Street Skills course qualifies as a motorcycle education course under section 431:10G-104, Hawaii Revised Statutes, for liability insurance coverage purposes.

Supportive testimony was received from Street Bikers United, Carr's Insurance Agency, and numerous individuals. Testimony in support of the bill's intent and proposing amendments was received from the Department of Transportation and the Hawaii Motorcycle Dealers Association. Testimony in opposition to the measure was received from MSF, the Hawaii Insurers Council, and several individuals.

This measure would allow any branch of the armed services to approve a motorcycle education course required to obtain liability insurance coverage and effectively eliminate the State's oversight of motorcycle education courses. While the bill requires that courses offered by the military meet the standards for the MSF riding and street skills course, testimony indicated that MSF has no mechanism for ensuring or evaluating compliance with its standards. Further, MSF testified that its primary concern is to ensure the quality of training while allowing a state to maintain control over an activity directly related to its licensing process.

Your Committee finds the State has an interest in maintaining the high standards it has established in its motorcycle safety education program and that relinquishing oversight of motorcycle education programs could threaten the maintenance of those standards. Accordingly, upon careful consideration, your Committee has amended this bill by:

- (1) Providing that for the purpose of obtaining liability insurance coverage, a motorcycle education course is a course that:
 - (a) Meets all the standards for the Hawaii motorcycle safety education program as determined by the Director of the Department of Transportation; or
 - (b) Is offered in the State by any branch of the United States Armed Services for attendance by armed services members, is approved by the armed services' installation commander, and meets all the standards for the Hawaii motorcycle safety education safety program as determined by the Director of the Department of Transportation;
 and
- (2) Clarifying that a motorcycle education course taken for the purpose of obtaining a temporary insurance binder shall be a course approved by the Director of the Department of Transportation.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2761, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2761, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Saiki, Tom and Yoshinaga.

SCRep. 1305-98 Consumer Protection and Commerce on S.B. No. 3094

The purpose of this bill is to facilitate the interisland shipment of motor vehicles by permitting greater flexibility in and providing for exceptions to the documentation requirement.

Supportive testimony was received from RT's Service, Inc., Insurance Auto Auctions, Republic Industries, Inc., CATRALA, and American Lenders. Young Brothers, Ltd. testified in support of the bill and proposed amendments. The Honolulu Police Department and the Hawaii Bankers Association opposed the measure.

Testimony indicated that the requirements for shipping a vehicle between islands are more stringent than those for shipping a vehicle out of the State and present practical difficulties for businesses and consumers alike, including car dealerships, rental car companies, owners of recently-purchased cars, and individuals who are unable personally to deliver their vehicles to the dock for shipment.

The amendments effected by this measure will simplify and facilitate the documentation process by allowing for the submission of duplicate and facsimile documents, proof of insurance coverage, and written authorization for a vehicle's transport. Those businesses that qualify for the exemption from the documentation requirements will benefit from a savings in administrative time and expense.

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

- (1) Replacing the word "shipper" with the word "carrier";
- (2) Clarifying that the dealer's license requirement pertains to a car dealer;
- (3) Requiring the legal owner of the transported vehicle to present identification, but not necessarily a picture identification to the carrier;
- (4) Allowing the vehicle's owner to present the carrier with proof of motor vehicle insurance, rather than the current motor vehicle insurance identification card;
- (5) Permitting an authorized agent of the vehicle's legal or registered owner to ship the vehicle by presenting the carrier with a notarized letter of authorization from the owner, in addition to the required documents;
- (6) Allowing an unrecorded owner of a vehicle purchased within 30 days of shipping and pending lawful transfer to substitute a certificate of ownership signed by the vehicle's previous owner for the current certificate of registration;
- (7) Exempting vehicles owned by the federal, state, and county governments, but not motorcycles, from the proof of motor vehicle insurance requirement;
- (8) Eliminating the requirement that the legal owner of a damaged vehicle being shipped interisland for repair, disposal, or salvage, present a picture identification;

- (9) Retaining the requirement that a registered, but not legal owner of a vehicle provide the carrier with the legal owner's written consent to the transportation or a car dealer's license;
- (10) Clarifying that a legal or registered owner who violates section 286-271, Hawaii Revised Statutes, is subject to a maximum \$100 fine;
- (11) Providing an exemption from the documentation requirements for a licensed dealer who periodically ships in quantities of ten or more vehicles;
- (12) Allowing a duplicate certificate of registration to be maintained in commercial vehicles defined as rental motor vehicles and cars shipped by repossession provided the original certificate is made available for inspection at the owner's principal place of business within the State; and
- (13) Making technical amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3094, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3094, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Case, Garcia, Saiki, Tom, Yoshinaga and Pendleton.

SCRep. 1306-98 Consumer Protection and Commerce and Judiciary on S.B. No. 2460

The purpose of this bill is to safeguard the interests of the community by requiring the State Health Planning and Development Agency (SHPDA) and the Attorney General to review and approve the sale of a hospital owned by a nonprofit corporation to a for-profit entity.

Supportive testimony was received by the Healthcare Association of Hawaii, the Hawaii Nurses' Association, the Hawaii Coalition for Health, and the Hawaii Government Employees Association. SHPDA testified in support of the bill's intent and proposed an amendment. The Attorney General submitted comments.

Your Committees find that nonprofit hospitals are valuable community assets that provide treatment and services to the underserved and medically needy. The acquisition of these hospitals by for-profit entities could adversely affect the continued provision of services that benefit the community. By requiring SHPDA and the Attorney General to review the intended acquisition of any nonprofit hospital by a for-profit entity, this measure will protect against acquisitions not in the public interest.

Upon careful consideration, your Committees have amended the bill by replacing its contents with the language of H.B. No. 2498 H.D. 2, a substantially similar bill passed earlier by the House of Representatives, and by incorporating amendments proposed by SHPDA. As amended, this bill:

- (1) Requires that an application to acquire a hospital owned by a nonprofit corporation include the names of the seller, purchaser, and other parties to the acquisition;
- (2) Establishes the Attorney General's authority to ensure compliance with commitments made pursuant to section 323D-G, Hawaii Revised Statutes; and
- (3) Makes technical, nonsubstantive amendments for purposes of proper formatting and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2460, S.D. 2, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2460, S.D. 2, H.D. 2.

Signed by all members of the Committees except Representatives Garcia, Herkes and Pendleton.

SCRep. 1307-98 Consumer Protection and Commerce and Judiciary on S.B. No. 2914

The purpose of this bill is to align the licensing period, license renewal test requirements, and license reactivation requirements of commercial drivers' licenses with the licensing period, license renewal test requirements, and license reactivation requirements of noncommercial drivers' licenses.

Act 330, Session Laws of Hawaii 1997, established reactivation requirements for a driver's license, eliminated the required knowledge and road tests for driver's license renewals, and extended the existing four-year licensing period to six years for licensees 18 to 72 years of age. Your Committees find that the same procedures, requirements, and conditions should apply to commercial drivers' licenses.

Testimony in support of this bill was submitted by the Department of Transportation, the Hawaii Transportation Association, and the Department of Finance of the City and County of Honolulu.

Your Committees have amended this bill by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2914, S.D. 1, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2914, S.D. 1, H.D. 2.

Signed by all members of the Committees except Representatives Cachola, Garcia, Hiraki, Jones, Yoshinaga and Aiona.

SCRep. 1308-98 Consumer Protection and Commerce and Judiciary on S.B. No. 3137

The purpose of this bill is to require that the Public Utilities Commission (PUC) hear an application for an extension of temporary operating authority to provide motor vehicle common carrier or contract carrier service no later than the last day of the expiration of the temporary authority.

Supportive testimony was submitted by the E Noa Corporation. The PUC testified in opposition to the bill.

Currently, if a carrier granted temporary authority to operate files an application for permanent authority within thirty days of the issuance of the temporary authority, the PUC may extend the temporary authority upon its own motion or that of any interested party without a hearing.

This bill would require the PUC to hear a request for an extension of the temporary authority no later than the date of its expiration, thereby requiring that there be a finding of "immediate and urgent need" to warrant the extension, and giving any interested parties or affected carriers an opportunity to be heard on the matter.

Your Committees have made a technical amendment to the bill to correct a drafting error.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3137, S.D. 1, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 3137, S.D. 1, H.D. 2.

Signed by all members of the Committees except Representatives Cachola, Hiraki, Jones and Yoshinaga.

SCRep. 1309-98 Consumer Protection and Commerce and Judiciary on S.B. No. 2770

The purpose of this bill, as received, is to improve the 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, and subject to civil penalties, as criminal, petty misdemeanors in order to allow them to be handled by citation;
- (3) Establishing the Department of Agriculture's (DOA) rulemaking authority to, among other things:
 - (a) License service agencies to test measurement standards and measuring devices; and
 - (b) Establish procedures for price verification;
- (4) Clarifying that the misrepresentation of price includes situations where there is a difference between the price displayed and the price charged to the consumer; and
- (5) Making housekeeping amendments, including one that reflects a DOA organizational change that renamed the Division of Measurement Standards, the Measurement Standards Branch.

Supportive testimony was received from DOA. The Hawaii Food Industry Association testified in opposition to the measure.

Your Committees support any effort to protect the consumer from deceptive product representation and believe that this measure will assist DOA in its effort to regulate measurement standards.

Upon careful consideration, your Committees have amended this bill by replacing its contents with the language of H.B. No. 2767, H.D. 1, a substantially similar bill that was earlier passed by the House of Representatives after public hearings before your Committees on Agriculture, and Consumer Protection and Commerce and Judiciary. As amended, this bill:

- (1) Clarifies that the acts which are subject to criminal sanctions are limited to those which are intentional or knowing;
- (2) Deletes Section 7 of the bill (grandfathering provision); and
- (3) Makes technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2770, S.D. 2, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2770, S.D. 2, H.D. 2.

Signed by all members of the Committees except Representatives Hiraki, Jones, Saiki, Tom and Yoshinaga.

SCRep. 1310-98 Judiciary on S.B. No. 1601

The purpose of this bill is to clarify and increase penalties for violations of statutes and regulations under the jurisdiction of the Department of Land and Natural Resources (DLNR).

Your Committee received testimony in support of this measure from DLNR. The Office of the Public Defender provided comments on this measure.

Your Committee agrees that several of the current statutes and provisions relating to DLNR's jurisdiction over Hawaii's aquatic resources require clarification. Your Committee also believes that penalties for violations involving Hawaii's precious resources should be increased to provide a deterrent against abhorrent behavior. Your Committee is concerned, however, that minor, even unintentional violations under the provisions of this measure may subject violators to seizure and forfeiture of their personal assets or elevated felony offenses.

Your Committee also finds that the use of poisons, explosives, and electrofishing requires more severe penalties. Due to the nature of these weapons of mass destruction, several specimens are likely to be killed per incident. As a result, your Committee believes that in the event a large number of specimens are in fact taken, killed, or injured in this manner, a violator should be subject to an even greater felony offense.

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

- (1) Requiring that a violation constitute a felony under Subtitle 5, Title 12, Hawaii Revised Statutes (HRS), prior to subjecting a violator's property to seizure for forfeiture and forfeiture as provided by Chapter 712A, HRS;
- (2) Providing that if a natural resource disposed of by DLNR was unlawfully seized, DLNR shall be liable to the owner for the fair market value of the disposed items;
- (3) Increasing the penalty to a class B felony if the number of specimens of aquatic life taken, killed, or injured or rock or coral taken, broken, or damaged through the unlawful use of poisons, explosives, or electrofishing exceeds 10 in number;
- (4) Clarifying that except for certain violations under Sections 195D-4, 195D-21 and 195D-22, HRS, which shall continue to be classified as misdemeanors, any person who violates any provisions of Chapter 195D, HRS, shall be guilty of a petty misdemeanor;
- (5) Providing that any person who intentionally, knowingly, or recklessly violates any license issued under Section 195D-4, HRS, safe harbor agreement under Section 195D-21, HRS, or habitat conservation plan under Section 195D-22, HRS, shall be guilty of a misdemeanor and subject to mandatory minimum fines of \$2,000 for a first offense, \$5,000 for a second offense, and \$10,000 for a third and subsequent offenses; and
- (6) Making several technical changes for purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1601, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1601, S.D. 1, H.D. 2.

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

SCRep. 1311-98 Judiciary on S.B. No. 2846

The purpose of this bill, as received, is to add:

- (1) Offenses pertaining to driving under the influence of alcohol or drugs; and
- (2) Fraudulent acquisition or possession of controlled substances,

to the offenses for which the Drug Demand Reduction Assessment (DDRA) may be imposed. This bill also repeals the sunset date of the DDRA law in Act 205, Session Laws of Hawaii 1995.

The Department of Public Safety testified in support of the bill. The Judiciary and the Honolulu Police Department testified in support of the intent of the measure. The Department of Health and the Office of the Public Defender commented on the merits of the bill.

Your Committee believes that the DDRA program is an important program and that it plays a vital role in the State's overall plan for curbing substance abuse. However, your Committee also believes that more time must be spent studying the effectiveness of this program before it becomes a permanent part of the criminal justice system.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the additional offenses for which the DDRA may be imposed; and
- (2) Reinserting and extending the sunset date to June 30, 2001.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2846, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2846, S.D. 2, H.D. 2.

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

SCRep. 1312-98 Finance on S.B. No. 1465

The purpose of this bill is to streamline government operations by requiring the Employees Retirement System (ERS) to release records of retirees and spouses to the Public Employees Health Fund (Health Fund) so that Medicare Part B medical insurance reimbursements can be done electronically.

The Department of Budget and Finance and the Hawaii State Teachers Association submitted testimony in support of this measure. The Health Fund and ERS submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1465, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1465, H.D. 1.

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

SCRep. 1313-98 Finance on S.B. No. 2454

The purpose of this bill is to improve the vocational rehabilitation process by:

- (1) Allowing the injured worker to select a provider of vocational rehabilitation services and to have the provider and the injured worker give notice of the selection to the employer; and
- (2) Giving the Director of Labor and Industrial Relations discretionary authority in making referrals to vocational rehabilitation services, approving vocational rehabilitation plans, and periodically reviewing the progress in each case.

The Department of Labor and Industrial Relations testified in support of this measure. The Hawaii Insurers Council testified in opposition to this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2454, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2454, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Hamakawa, Kanoho, Marumoto, Meyer and Ward.

SCRep. 1314-98 Finance on S.B. No. 2816

The purpose of this bill is to revise the composition of the Board of Trustees of the Hawaii Public Employees' Health Fund (Board) by:

- (1) Deleting the clergy representative; and
- (2) Adding a retired member of the Employees' Retirement System, the County Pension System, or the Police, Firefighters, or Bandsmen Pension System of the State or County.

The Board, the Hawaii State Teachers Association, and the Coalition of Hawaii State/Counties Retirees testified in support of this measure. The HGEA/AFSCME Local 152 supported the intent of this measure. The Department of Budget and Finance opposed this measure.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting the contents of S.B. No. 2816, which replaces the clergy Board representative with a private citizen.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2816, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2816, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Kanoho and Marumoto.

SCRep. 1315-98 Finance 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 (VRP).

Specifically, this bill:

- (1) Makes sites involving underground storage tanks eligible to be cleaned up under VRP;
- (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.

The Department of Health testified in support of this measure. The Bank of Hawaii and the Mortgage Bankers Association of Hawaii also supported this bill.

Your Committee has amended this bill by clarifying 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.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2852, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2852, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Hamakawa, Suzuki and Ward.

SCRep. 1316-98 Finance on S.B. No. 2970

The purpose of this bill is to clarify the Department of Health's jurisdiction over the regulation of noise at the Convention Center.

The Convention Center Authority testified in support of the intent of the measure. The Department of Health, Neighbors of the Ala Wai, and an individual commented on this measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments to correct drafting errors and for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2970, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2970, S.D. 1, H.D. 3.

Signed by all members of the Committee except Representatives Abinsay, Hamakawa, Suzuki and Ward.

SCRep. 1317-98 Finance on S.B. No. 3035

The purpose of this bill is to make technical and housekeeping amendments to Act 350, Session Laws of Hawaii 1997, which established the Housing and Community Development Corporation of Hawaii.

The Board of Water Supply of the City and County of Honolulu submitted testimony in support of this measure. The Office of the Governor submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3035, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3035, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1318-98 Finance on S.B. No. 2582

The purpose of this bill is to ensure that consumers receive knowledgeable and timely claims service by requiring insurers writing direct business to maintain a claims service office or engage a local independent adjusting service as its claims agent.

The Department of Commerce and Consumer Affairs and the Consumer Lawyers of Hawaii submitted testimony in support of the intent of this measure. The Department of the Attorney General and State Farm Insurance Companies submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2582, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2582, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1319-98 Finance on S.B. No. 2618

The purpose of this bill is to ensure access to primary and preventive health care for the uninsured and persons covered by QUEST by appropriating \$3,000,000 for the Department of Human Services (DHS) and \$4,025,000 for the Department of Health (DOH) to maximize the availability of combined state and federal resources.

AlohaCare, the Hawaii State Primary Care Association, the Kalihi-Palama Health Center, Kokua Kalihi Valley, the Waianae Coast Comprehensive Health Center, the Waikiki Health Center, the Waimanalo Health Center, and the Hamakua Health Center submitted testimony in support of this measure. DOH testified in support of the intent of this measure. DHS testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Deleting the appropriated sums and replacing each sum with \$1 for purposes of continued discussion; and
- (2) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2618, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2618, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1320-98 Finance on S.B. No. 3143

The purpose of this bill is to require the Public Utilities Commission (PUC) to consider the Consumer Advocate's recommendation in its determination on whether to build a new 46 kilovolt or greater high-voltage transmission system above or below the ground.

A City Council member and an individual supported the bill. The Consumer Advocate and Na Leo Pohai supported the intent of this bill. The Public Utilities Commission opposed the measure, and Kauai Electric, Hawaiian Electric Company, and Life of the Land commented on this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3143, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3143, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1321-98 Finance on S.B. No. 3248

The purpose of this bill is to authorize the issuance of special purpose revenue bonds (bonds), in an amount not to exceed \$150,000,000, to assist the Queen's Health Systems in improving and expanding its health care facilities and programs.

The Queen's Health Systems submitted testimony in support of this measure. The Department of Budget and Finance submitted comments.

Your Committee has amended this measure by clarifying that the bonds would be used to assist the Queen's Health System and its subsidiaries in financing the costs of construction of, improvements to, and equipping of hospital facilities and other capital-related projects.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3248, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3248, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1322-98 Finance on S.B. No. 1273

The purpose of this bill is to assist victims of sexual assault by:

- (1) Requiring the court, upon the request of a victim of sexual assault, to order a human immunodeficiency virus (HIV) test on the accused; and
- (2) Ensuring that victims of sexual assault or the parents or guardians of minors or incapacitated victims be informed of the HIV status of their accusers and to receive private HIV counseling.

The State Attorney General, the Department of Public Safety, the Honolulu Police Department, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Maui Police Department, the Sex Abuse Treatment Center, the Hawaii Paroling Authority, and the AIDS Community Care Team testified in support of this measure. The Department of Health and the Governor's Committee on HIV/AIDS testified in opposition to this measure.

Your Committee made technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1273, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1273, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Hamakawa and Marumoto.

SCRep. 1323-98 Finance on S.B. No. 2338

The purpose of this bill is to increase safety on job sites by establishing a regulatory framework for hoisting machine operators to be funded by a Hoisting Machine Operators' Certification Special Fund consisting of fees, penalties, and fines collected pursuant to the new regulations.

The Hawaii Operating Engineers Industry Stabilization Fund and one individual submitted testimony in support of this measure. The Department of Labor and Industrial Relations submitted testimony in support of the intent of this measure.

Your Committee has amended this measure by:

- (1) Inserting \$1 purposes of discussion;
- (2) Deleting entitlements to a per diem for attendance at board meetings since the board is to serve without pay; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2338, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2338, S.D. 2, H.D. 2.

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

SCRep. 1324-98 Finance on S.B. No. 2559

The purpose of this bill is to improve the regulation of explosives and eliminate the duplication of services, by:

- (1) Relieving the Department of Labor and Industrial Relations (DLIR) of the responsibility for regulating the manufacture, storage, and transport of explosives;
- (2) Enabling DLIR to continue the certification program for the use of explosives; and
- (3) Exempting State and County Police and Fire Departments from regulation.

DLIR, the Department of Business, Economic Development, and Tourism, and the Hawaii Island Contractors' Association testified in support of this measure. The Contractors Association of Kauai, the General Contractors Association of Hawaii, the Building Industry Association of Hawaii, and an individual submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2559, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2559, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Hamakawa, Kanoho, Marumoto, Meyer and Ward.

SCRep. 1325-98 Finance on S.B. No. 2768

The purpose of this bill is to streamline billing for workers' compensations services by requiring health care providers to bill the employer, employer's insurance carrier, or special compensation fund within two years for services rendered for injuries covered by workers' compensation.

The Department of Labor and Industrial Relations, the Hawaii State Teachers Association, and the Hawaii Insurers Council testified in support of the bill. The HealthSouth Rehabilitation Center of Honolulu submitted comments.

Your Committee has amended the bill by:

- (1) Clarifying that the health care provider is required to mail or deliver a bill to the proper party;
- (2) Providing that, when it is difficult to ascertain which insurer is liable for payment of the provider's bill, the two-year period after which the right to receive payment is forfeited starts when the liable insurer is determined; and
- (3) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2768, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2768, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Hamakawa, Kanoho, Marumoto, Meyer and Ward.

SCRep. 1326-98 Finance on S.B. No. 3220

The purpose of this bill is to provide assistance to Hawaii's homeless by appropriating \$1,500,000 which would come from the conveyance tax allocation to the Rental Housing Trust Fund.

Catholic Charities Community Services and Kaiser Permanente supported this measure. The Hawaii Housing Authority supported the intent of this measure. The Department of Taxation, the Tax Foundation of Hawaii, the Office of the Governor, the Hawaii Association of Realtors, the Waimanalo Community Development Corporation, Safe Haven, the Institute for Human Services, Legal Aid Society of Hawaii, Angel Network Charities, and Catholic Charities commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the conveyance tax allocation to the Rental Housing Trust Fund from 25 to 12.5 percent for a one-year period;
- (2) Reducing the homeless appropriation from \$1,500,000 to \$600,000; and
- (3) Correcting other technical, nonsubstantive drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3220, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3220, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1327-98 Finance on S.B. No. 720

The purpose of this bill is to:

- (1) Authorize the Administrative Director of the Courts to assess and collect a \$15 fee from each arrestee who requests an administrative revocation of driver's license hearing to cover related administrative costs; and
- (2) Require the return of any fees collected from an arrestee if the administrative revocation is reversed after the hearing.

Your Committee has amended this bill by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 720, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 720, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Abinsay.

SCRep. 1328-98 Finance on S.B. No. 2350

The purpose of this bill is to encourage the recycling industry by establishing:

- (1) A recycling container program; and
- (2) A recycling machinery income tax credit of 50 percent of the price of the machinery up to an undecided yearly maximum for machinery bought seven years prior to the end of the taxable year for which the credit is being claimed.

The Department of Public Works of the City and County of Honolulu, the Hawaii Food Industry Association, and the Department of Health testified in support of the bill. The Department of Taxation testified in opposition to the measure. The Tax Foundation of Hawaii commented on the bill.

Your Committee has amended this bill by:

- (1) Reducing the tax credit from fifty to twenty-five percent;
- (2) Establishing the tax credit cap at \$50,000;
- (3) Deleting the seven-year provision, making the tax credit prospective;
- (4) Removing provisions relating to a recycling container program; and
- (5) Repealing the tax credit on June 30, 2003.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2350, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2350, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Abinsay.

SCRep. 1329-98 Finance on S.B. No. 2326

The purpose of this bill is to clarify the administration of the Hawaii Employers' Mutual Insurance Company, Inc. (HEMIC) by:

- (1) Creating an oversight council to monitor HEMIC's performance;
- (2) Limiting the HEMIC assessment to the Hawaii Hurricane Relief Fund (HHRF) to the first \$25,000,000 of written premiums in each calendar year from January 1, 1997, to December 31, 2008; and
- (3) Exempting HEMIC from participation in the Hawaii Property and Liability Insurance Guaranty Association beginning January 1, 2009, only if HEMIC meets the surplus requirements applicable to all other domestic insurers.

The Insurance Division of the Department of Commerce and Consumer Affairs and HEMIC testified in support of the measure. HHRF commented on this measure.

Your Committee has amended this bill by:

- (1) Specifying that the Governor, from lists of nominees submitted by the House Speaker and Senate President, is to appoint a House member and Senate member who are to be part of the HEMIC Oversight Council; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2326, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2326, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Hamakawa, Kanoho and Marumoto.

SCRep. 1330-98 Finance on S.B. No. 2689

The purpose of this bill is to provide for equity in retirement benefits for certain county and judicial officials by making them contributory members of the Employees Retirement System (ERS).

Your Committee has amended this measure by:

- (1) Adding the Executive Director of the Labor and Industrial Relations Appeals Board and the Executive Director of the Hawaii Labor Relations Board to the list of officers that will become contributory members of the ERS; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2689, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2689, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Abinsay.

SCRep. 1331-98 Finance on S.B. No. 2803

The purpose of this bill is to improve the State's small business climate by:

- (1) Requiring administrative agencies to analyze the effects of regulations on small businesses; and
- (2) Allowing these small businesses the opportunity for early input into the administrative rulemaking process.

The Department of Business, Economic Development, and Tourism and the National Federation of Independent Business testified in support of this measure. The Department of Health, the U.S. Small Business Administration, and the Office of the Ombudsman commented on this measure. The Hawaii Sierra Club testified in opposition.

Your Committee has amended this bill by deleting the requirement that any regulatory power or function that is not funded through the budgetary process be transferred to a funded agency or program, or the regulatory power and function be repealed.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2803, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2803, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Abinsay.

SCRep. 1332-98 Finance on S.B. No. 3000

The purpose of this bill is to simplify and facilitate the administration, calculation, and processing of pension payments of the Employees' Retirement System (ERS), thus reducing the amount of State and County appropriations to the ERS.

Specifically, this bill would:

- (1) Allow the ERS Board of Trustees to delegate service retirement approval responsibilities to staff;
- (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; and
- (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.

The ERS Board of Trustees testified in support of this measure.

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

- (1) Allowing an elective officer or judge to retire whenever the allowance for such member reaches 75 percent of the member's average final compensation; and
- (2) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3000, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3000, S.D. 2, H.D. 2.

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

SCRep. 1333-98 Finance on S.B. No. 3007

The purpose of this bill is to:

- (1) Ensure that business development corporations (BDC) are in compliance with the law by authorizing the Director of Business, Economic Development, and Tourism to determine compliance and to order those not in compliance to comply or be dissolved; and
- (2) Provide for a two-year moratorium on the organization of new BDCs.

Wallace Theaters testified in support of the measure. The Department of Taxation, the Department of Business, Economic Development, and Tourism, the Tax Foundation of Hawaii, and an individual commented on the measure.

Your Committee has amended this bill by:

- (1) Mandating the Director of Business, Economic Development, and Tourism to determine compliance with the law for each BDC by October 1, 1998;
- (2) Deleting the moratorium on the organization of new business development corporations; and
- (3) Providing for the phasing out of tax exemptions for business development corporations.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3007, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3007, S.D. 1, H.D. 2.

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

SCRep. 1334-98 Finance on S.B. No. 2078

The purpose of this bill is to improve the business climate for ocean recreation by:

- (1) Precluding the setting of arbitrarily high fees for transferring commercial ocean recreation operators' permits for thrill craft and parasailing activities by replacing the minimum of ten percent of the transfer price with a maximum of six percent of the transfer price; and
- (2) Repealing the ten-year maximum period for which a permit for commercial thrill craft and parasailing activities may be issued.

The Hawaii Hotel Association, the Kaneohe Bay Commercial Operators Association, a bank executive, and several commercial ocean recreation businesses testified in support of the bill. An ocean recreation business owner and Kaneohe Bay Regional Council testified in support of the intent of the bill. Boats/Hawaii and an individual commented on the bill. The Board of Land and Natural Resources testified in opposition to the bill.

The transfer of permits is an issue in Hawaii because of the high demand for ocean recreation. This issue is addressed in the Kaneohe Bay Master Plan, which recommends the relocation of operators to "Checker Reef." This relocation raises safety and environmental concerns. According to the Division of Boating and Ocean Recreation of DLNR, the location of large commercial operators in proximity with each other is unsafe and may create a navigation hazard. In addition, according to the Division of Marine Aquatics of DLNR, live coral is present at Checker Reef, and serious harm could result if any additional commercial operators are relocated there. Due to these concerns, the Division of Boating and Ocean Recreation should consider a delay in relocating operators from Kaneohe Bay to Checker Reef.

Your Committee has amended this bill by:

- (1) Changing the transfer fee from a maximum of six percent to a maximum of twenty percent, and setting a \$50,000 maximum amount;
- (2) Deleting the repeal of the ten-year maximum period for a permit; and
- (3) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2078, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2078, S.D. 1, H.D. 3.

Signed by all members of the Committee except Representative Abinsay.
(Representative Meyer voted no.)

SCRep. 1335-98 Finance on S.B. No. 2922

The purpose of this bill is to:

- (1) Remove the Legislative Analyst from the oversight of the Joint Legislative Budget Committee;
- (2) Extend the term of the Legislative Analyst from four years to eight years;
- (3) Provide for an assistant to the Legislative Analyst; and
- (4) Appropriate funds for the Office of the Legislative Analyst.

Upon further consideration, your Committee has amended this bill by keeping its language intact, but adding to it the following:

- (1) The substance of H.B. No. 3038, which was introduced in the House of Representatives earlier this session. H.B. No. 3038 repeals the tax credit to facilitate regulatory oversight of insurance companies;
- (2) The substance of H.B. No. 3531, H.D. 3, which passed out of the House of Representatives earlier this session. H.B. No. 3531, H.D. 3, abolishes the State Health Planning and Development Agency and transfers the functions of the Office of Environmental Quality Control to the Department of Health;
- (3) The substance of H.B. No. 2992, H.D. 2, which passed out of the House of Representatives earlier this session. H.B. No. 2922, H.D. 2, enables the Notaries Public Program to become self-sufficient by establishing the Notaries Public Revolving Fund (Fund);
- (4) The substance of H.B. No. 2993, H.D. 2, which passed out of the House of Representatives earlier this session. H.B. No. 2993, H.D. 2, provides alternative funding for the Civil Identification Program by establishing the State Identification Revolving Fund for the deposit of all fees received for the processing and issuance of State identification cards; and
- (5) The substance of H.B. No. 3031, which passed out of the House of Representatives earlier this session. H.B. No. 3031 allows Hawaii Election Campaign Fund moneys to be used for the operating expenses of the Campaign Spending Commission.

In addition, your Committee amended the effective date to July 1, 1998, and provided for the repeal of the tax credit facilitating regulatory oversight of insurance companies.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2922, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2922, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1336-98 Finance on S.B. No. 2346

The purpose of this bill is to meet the needs of the mentally ill in Hawaii by:

- (1) Extending the sunset date of Act 202, Session Laws of Hawaii (SLH) 1988, to July 1, 2002. Act 202, SLH 1988, authorized the provision of mental health and alcohol and drug abuse treatment insurance benefits;
- (2) Increasing outpatient benefits required for the treatment of mental illness and alcohol and drug dependence from 12 to 24 visits;
- (3) Requiring that 12 of these visits apply only to mental health services; and
- (4) Requiring the Insurance Division to evaluate the economic impact of the increase of benefits.

The Hawaii Medical Service Association, the Equal Insurance Coalition, the Hawaii Psychiatric Medical Association, Nami Oahu, the Hawaii Psychological Association, the National Association of Social Workers, and numerous individuals supported this bill. The Department of Health and the Hawaii Nurses' Association supported the intent of this bill.

The Department of Commerce and Consumer Affairs and Kaiser Permanente commented on the bill.

Your Committee has amended this bill by deleting its substance and inserting the contents of H.B. No. 2844, H.D. 1, which extends the sunset date of Act 202, SLH 1988, to July 1, 2002.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2346, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2346, S.D. 2, H.D. 2.

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

SCRep. 1337-98 Finance on S.B. No. 379

The purpose of this bill is to provide incentives for the recycling of automobile tires by requiring a tire retailer to:

- (1) Collect a \$10 deposit from customers that do not provide a trade-in tire for each tire purchased;
- (2) Issue a \$10 refund to customers who return a tire purchased from that retailer with proper proof of purchase; and
- (3) Post a notice regarding the collection of the \$10 deposit.

The Department of Public Works of the City and County of Honolulu and the Hawaii Automobile Repair and Gasoline Dealers Association submitted testimony in support of this measure. The Department of Health and Sears, Roebuck and Co. submitted testimony in opposition of this measure.

Your Committee has amended this measure by:

- (1) Replacing the \$10 deposit and refund with \$1.75; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 379, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 379, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Abinsay.

SCRep. 1338-98 Finance on S.B. No. 2092

The purpose of this bill is to encourage energy conservation by:

- (1) Extending the energy conservation income tax credit for the installation of wind energy systems, solar energy systems, heat pumps, and ice storage systems from January 1, 1999, to July 1, 2003;
- (2) Eliminating the design requirements for solar energy systems for multiunit residential buildings; and
- (3) Creating a four-year task force to study alternative cost-effective means to support increased energy efficiency and sustainability.

The Inter-Island Solar Supply, the Building Industry Association of Hawaii, and the Hawaii Solar Energy Association testified in support of this measure. The Department of Business, Economic Development, and Tourism commented on this measure, and the Hawaiian Electric Company and its subsidiaries supported the intent of this measure.

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

- (1) Specifying that if similar federal energy tax credits are established, then the State tax credits will be commensurably reduced; and
- (2) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2092, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2092, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Abinsay.

SCRep. 1339-98 Finance on S.B. No. 2413

The purpose of this bill is to promote a healthier environment by, among other things:

- (1) Improving the reporting on the Department of Health's (DOH) use of moneys in special and revolving funds that support environmental programs and activities;
- (2) Raising the ceiling on DOH's Environmental Response Revolving Fund from \$7,000,000 to \$20,000,000;
- (3) Expanding the use of the moneys in the Clean Air Special Fund in contradiction to the Federal Clean Air Act;
- (4) Establishing public policy criteria for balancing environmental protection with economic development;
- (5) Requiring DOH to expedite the review of permits where the applicant has dedicated funds for environmental mitigation projects; and
- (6) Abolishing the Office of Environmental Quality Control (OEQC) and transfer its functions, staff, and equipment to the Office of Planning in the Department of Business, Economic Development, and Tourism.

The Chamber of Commerce of Hawaii submitted testimony in support of this measure. The Hawaii Audubon Society, the Hawaiian Commercial and Sugar Company, the Hawaii Agriculture Research Center, and BHP Hawaii submitted testimony in opposition to this measure. The Sierra Club, the Hawaiian Electric Company, OEQC, DOH, and the Environmental Center submitted comments.

Your Committee has amended this measure by deleting its substance except for the ceiling increase for DOH's Environmental Response Revolving Fund from \$7,000,000 to \$20,000,000; and

In addition your Committee has:

- (1) Inserted the contents of H.B. No. 1245, H.D. 1, which establishes the requirements and procedures for performing voluntary environmental audits; and
- (2) Transferred the Coastal Zone Management program to OEQC.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2413, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2413, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Abinsay.

SCRep. 1340-98 Finance on S.B. No. 2987

The purpose of this bill is to protect children from harm by reforming the Child Protective Services system.

The Democratic Party of Hawaii and the American Academy of Pediatrics submitted testimony in support of this measure. The Honolulu Police Department and the Department of Human Services (DHS) submitted testimony in support of the intent of this measure. Kapiolani Medical Center for Women and Children, the Office of Information Practices, and the Judiciary submitted comments.

Your Committee has amended this measure by:

- (1) Ensuring that DHS provide a comprehensive health assessment for each child in out-of-home placement forty-five days before or after an initial placement;
- (2) Clarifying that the disclosure of records will remain confidential in accordance with confidentiality provisions under section 350-1.4, Hawaii Revised Statutes;
- (3) Requiring the Police Departments and DHS to establish procedures to identify and investigate all high risk and active cases; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2987, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading the form attached hereto as S.B. No. 2987, S.D. 2, H.D. 3.

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

SCRep. 1341-98 Finance on S.B. No. 3043

The purpose of this bill is to provide immunity for persons, including the State, the counties, boards, and government agencies, against actions arising out of or based on errors produced, calculated, or generated by a government computer system that is not year 2000 compliant.

The Department of Accounting and General Services testified in support of this bill. The Department of the Attorney General also supported this measure and offered an amendment. The following organizations opposed this bill: The Chamber of Commerce of Hawaii; the Hawaii Medical Service Association; The Queen's Health Systems; Kaiser Permanente; State Farm Insurance Companies; the Bank of Hawaii and its parent company, Pacific Century Financial Corporation; and the Hawaii Bankers Association.

Your Committee has amended this bill by:

- (1) Providing that immunity shall apply to any failure or error that occurs prior to June 30, 1999, instead of June 30, 2003;
- (2) Deleting provisions that would have required certain contracts to include a hold harmless provision that provides immunity from liability; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3043, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3043, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Abinsay.

SCRep. 1342-98 Finance on S.B. No. 760

The purpose of this bill is to support smaller educational units by establishing a process for creating schools-within-schools (SWS).

The League of Women Voters of Hawaii, a university professor, a school principal, as well as three teachers, the president of the steering committee, and a number of parents of students enrolled at an existing SWS testified in support of the bill.

Your Committee has amended the bill by:

- (1) Modifying the procedure for authorizing a SWS;
- (2) Explicitly requiring compliance with state procurement laws, rather than exempting an SWS from all applicable state laws and rules, with certain exceptions;
- (3) Deleting the requirement of establishing a governing board;
- (4) Specifying essential characteristics of SWS;
- (5) Specifying design and accountability requirements for SWS;
- (6) Making each SWS subject to an evaluation every five years, rather than two years after its establishment;
- (7) Deleting the funding formula for SWS, but prohibiting the level of school funding to be affected by the establishment of an SWS;
- (8) Deleting the requirement for the Department of Education (DOE) to require each SWS to evaluate itself annually;
- (9) Authorizing DOE to provide pay and release time incentives to teachers for planning an SWS; and
- (10) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 760, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 760, H.D. 2.

Signed by all members of the Committee except Representative Abinsay.

SCRep. 1343-98 Finance on S.B. No. 2966

The purpose of this bill is to establish a system of compensation fees to be:

- (1) Paid by persons convicted of felonies and misdemeanors; and
- (2) Used for crime victim compensation payments and operating costs of the Criminal Injuries Compensation Commission (Commission).

The Criminal Injuries Compensation Commission, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of the Prosecuting Attorney of the County of Maui, the Honolulu Police Department, the Office of the Prosecuting Attorney of the County of Kauai, the Sex Abuse Treatment Center, the Domestic Violence Clearinghouse and Legal Hotline, the California State Board of Control, the National Association of Crime Victim Compensation Boards, the HOPE Domestic Violence Consultants, and the State Attorney General testified in support of this measure. The Judiciary commented on this measure.

Upon further consideration, your Committee amended this measure by:

- (1) Reducing the cap on operating expense expenditures from the Fund from 50 percent to 20 percent; and
- (2) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2966, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2966, S.D. 2, H.D. 2.

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

SCRep. 1344-98 Finance on S.B. No. 2820

The purpose of this bill is to provide the Commission of Financial Institutions with necessary and appropriate enforcement powers, including the authority to issue cease and desist orders and to impose administrative fines, against persons other than Hawaii financial institutions and institution-affiliated parties.

The Department of Commerce and Consumer Affairs submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2820, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2820, H.D. 1.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1345-98 Finance on S.B. No. 1559

The purpose of this bill is to protect the public, especially children, from the adverse effects of lead exposure by authorizing the Department of Health (DOH) to establish and implement a comprehensive lead abatement program.

DOH submitted testimony in support of this measure. The Department of Budget and Finance submitted comments.

Your Committee has amended this measure by:

- (1) Statutorily establishing the Asbestos and Lead Abatement Special Fund to be funded by fees and to be used to help operate the program and fund statewide education program and training; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1559, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1559, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representatives Abinsay, Hamakawa, Suzuki and Ward.

SCRep. 1346-98 Finance on S.B. No. 2349

The purpose of this bill is to enhance environmental efforts in the State by:

- (1) Changing certain provisions relating to the Environmental Health Program Enhancement and Education Fund (in Part I);
- (2) Creating a Hawaii Strategic Environmental Initiative Task Force to develop a proposal for a matching-grant award from the Council of State Governments-United States-Asia Environmental Partnership State Environmental Initiative Program (in Part II); and
- (3) Requiring the Air Quality Task Force to study existing air quality limitations by applying various control technologies and standards, including identifying the most efficient way to reduce air emissions that would also allow for economic growth (in Part III).

The Department of Health, the Department of Business, Economic Development, and Tourism, Hawaiian Electric Company, the Chamber of Commerce of Hawaii, Ogden Energy Group, Inc., Unisyn, BHP Hawaii, Chevron, and the Offices of David L. Bourgojn commented on the bill.

Your Committee has amended this bill by:

- (1) Deleting the provisions of Part III; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2349, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2349, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Abinsay.

SCRep. 1347-98 Finance on S.B. No. 2037

The purpose of this bill is to ensure that emergency health care will be provided to patients with emergency medical conditions by requiring that emergency health services be covered by accident and sickness insurance contracts, mutual benefit societies, and health maintenance organizations without regard to preauthorization requirements.

The Department of Health, the Department of Commerce and Consumer Affairs, the Hawaii Medical Association, Legal Aid Society of Hawaii, and Kaiser Permanente testified in support of this measure. McCorriston, Miho, Miller, Mukai, Attorneys at Law commented on this measure.

Upon further consideration, your Committee amended this measure by:

- (1) Repealing the measure on July 1, 2003; and
- (2) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2037, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2037, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Abinsay.

SCRep. 1348-98 Finance on S.B. No. 2386

The purpose of this bill is to permit coordinated care organizations (CCOs) to furnish medical care, services, and supplies to injured workers.

Kaiser Permanente, the National Federation of Independent Business, the Haku Alliance, the Hawaii Island Landscape Association, and the Building Industry Association of Hawaii supported this measure. The Department of Commerce and Consumer Affairs and the Hawaii State Teachers Association supported the intent of this bill. The Department of Labor and Industrial Relations (DLIR), the Hawaii Medical Association, the Hawaii Federation of Physicians and Dentists, the Hawaii Medical Service Association, WorkComp Hawaii Insurance, the Hawaii Nurses' Association, Island Physical Therapy, the Orthopedic Services Company, the Hawaii Orthopaedic Association, and several individuals submitted comments. The Hawaii State Chiropractic Association opposed this measure.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting the contents of H.B. No. 2646, H.D. 2, which passed out of the House of Representatives earlier this session. In essence, your Committee made the following amendments:

- (1) Deleted the provision allowing an employer association to contract for medical and rehabilitative services;
- (2) Deleted the provision requiring a CCO to operate through a workers' compensation insurer or self-insured employer providing workers' compensation benefits;
- (3) Deleted the provision that CCOs will not be subject to the insurance solvency requirements if the amount to be paid is provided under section 386-21(c), HRS;
- (4) Required that fee schedules be provided under section 386-21(c), HRS;
- (5) Deleted the requirement that treatment and utilization protocols are subject to approval by the DLIR if it finds that the protocols of a particular CCO warrant an approval procedure to ensure that a high level of quality of care is provided;
- (6) Deleted the provision that an enrolled in a CCO may receive treatment for an injury from a health care provider outside the registered CCO where the independent medical examination determines that a course of treatment different from that prescribed by the CCO would be in the best interest of the enrollee;
- (7) Limited an employee to only one independent medical examination to verify the appropriateness of treatment and quality of care;

- (8) Allowed employees to choose a health provider as provided in section 386-21(b);
- (9) Deleted the requirement that the CCO Review Task Force compare workers' compensation insurance premiums paid by employers before and after using CCOs;
- (10) Deleted the severability clause; and
- (11) Made technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2386, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2386, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Hamakawa, Suzuki and Ward.

SCRep. 1349-98 Finance on S.B. No. 2399

The purpose of this bill is to give Hawaii's citizens the opportunity to be a part of the political process by establishing a pilot program for clean elections for the offices of State Senator and State Representative for the year 2000 elections.

The Hawaii Green Party submitted testimony in support of this measure. The League of Women Voters of Hawaii, Common Cause Hawaii, the Campaign Spending Commission, Hawaii Clean Elections, and one individual submitted testimony in support of the intent of this measure. The Hawaii State Teachers Association submitted testimony in opposition of this measure. The Democratic Party of Hawaii and one individual submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2399, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2399, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Hamakawa and Marumoto.

SCRep. 1350-98 Finance on S.B. No. 2207

The purpose of this bill is to enable the University of Hawaii (University) to more completely fulfill its multiple instructional, research, and community service mission by providing it with increased flexibility in managing its resources.

The Hawaii Business Roundtable and the Attorney General testified in support of the bill. The Hawaii Government Employees Association testified in general support of the intent of the bill. The University commented on the measure.

Your Committee would like to note that an administrative procedure has been improperly cited in the House Standing Committee Report No. 1026-98 for S.B. No. 2207, S.D. 2, H.D. 1. Rather than APS.930, the citation should be AP8.930, which the Research Corporation of the University of Hawaii intends to follow with regard to contracts.

Your Committee has amended the bill by:

- (1) Modifying the optional retirement plan by:
 - (A) Specifying that benefits may not exceed those of the Employees' Retirement System;
 - (B) Requiring faculty to choose between the Employees' Retirement System and the optional retirement plan; and
 - (C) Limiting the sources of funding for the optional retirement plan to appropriations and other resources available to the University and employee contributions;
- (2) Clarifying that the University President may approve expenditures from special or revolving funds that exceed appropriations when expected revenues, rather than expenditures, exceed appropriations;
- (3) Correcting an error made in updating statute by clarifying that the Hawaii Health System Corporation is exempt from the authority of the Governor to transfer moneys in special funds to the general fund;
- (4) Deleting the exemption from Chapter 37D, Hawaii Revised Statutes, for the Board of Regents regarding financing agreements for projects of \$3,000,000 or less;
- (5) Changing the formula for general fund appropriations for the University from a minimum of three and one-half to a range of three to five times the amount of tuition and fees;
- (6) Deleting the University personnel from citizenship, residency, and employment requirements;
- (7) Appropriating unspecified amounts from the Community Services Special Fund and the Auxiliary Services Special Fund; and
- (8) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2207, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2207, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Hamakawa, Suzuki and Ward.

SCRep. 1351-98 Finance on S.B. No. 2625

The purpose of this bill is to take various steps to improve the quality of education, specifically, by:

- (1) Authorizing the conversion of two positions at Hilo Community School to permanent status;
- (2) Requiring the Board of Education to consult with the union to establish a procedure allowing the Department of Education more flexibility in assigning educational officers;
- (3) Creating a teacher-parent-student partnership to determine the role and expectations for each party;
- (4) Authorizing the Board of Education to determine specifically the age of a child for starting school;
- (5) Transferring the responsibility for after-hours security of schools and libraries from the Department of Public Safety to the Department of Education;
- (6) Establishing goals for computer literacy and foreign language competency;
- (7) Authorizing the State Student Council rather than the student conference committee to determine the format of the annual conference of secondary school students;
- (8) Authorizing the conversion of forty athletic health care trainer positions to permanent status; and
- (9) Authorizing the establishment of the Comprehensive Student Support System.

The Department of Education, the Department of Budget and Finance, and the Hawaii State Teachers Association each supported various components of the bill while opposing others.

Technical, nonsubstantive amendments have been made to the bill for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2625, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2625, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1352-98 Finance on S.B. No. 2213

The purpose of this bill is to ensure the efficient use of scarce government resources by:

- (1) Establishing a committee to develop and implement plans to transform the State's budgeting, accounting, and procurement systems into an integrated system; and
- (2) Establishing a second committee to develop a process that would determine whether a particular service could be provided more efficiently and effectively by a public agency or a private enterprise.

The Department of Budget and Finance, the Department of Accounting and General Services, the Department of the Attorney General, the Haku Alliance, and the American Society of Civil Engineers testified in support of this measure. The Department of Human Resources Development submitted comments on this measure. The Hawaii Government Employees Association testified in opposition to this measure.

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

- (1) Disallow compensation for work-related mental or physical impairments that are the result of lawful personnel management actions to address the Hawaii Supreme Court's decision in Mitchell v. Department of Education in which the court held that a stress injury resulting from a disciplinary action was compensable;
- (2) Establish a five-year pilot development project to be known as the Performance Partnership for Youth Project; and
- (3) Include the Director of the Department of Human Resources Development on the seven-member committee to develop a managed process.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2213, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2213, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1353-98 Finance on S.B. No. 719

The purpose of this measure is to increase salaries of judges and justices.

The Judiciary, the American Judicature Society, the Hawaii State Bar Association, United Public Workers, and individuals testified in support of this measure.

Your Committee has amended this measure by:

- (1) Removing the specific dollar amounts to facilitate further discussion; and
- (2) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 719, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 719, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Hamakawa and Meyer.
(Representative Ward voted no.)

SCRep. 1354-98 Consumer Protection and Commerce on S.B. No. 2308

The purpose of this bill is to enhance regulation of private trade, vocational, or technical schools by stating that the purpose of licensing and regulation of these schools is to:

- (1) Protect consumers against practices by private trade, vocational, or technical schools that are false, deceptive, misleading, or unfair; and
- (2) Help ensure adequate education quality at these schools.

The State Auditor testified in support of this measure.

Your Committee finds that adding a purpose statement in section 302A-425, Hawaii Revised Statutes, regarding the licensing of private trade, vocational, or technical schools, serves to:

- (1) Clarify the intended reason for regulation; and
- (2) Provide a basis for determining the effectiveness of the licensing program.

Your Committee notes that this bill is identical to H.B. No. 2627 which was passed out the House of Representatives earlier this session after a joint public hearing before the Committees on Higher Education and Education and a public hearing before this Committee.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2308 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tom.

SCRep. 1355-98 Consumer Protection and Commerce on S.B. No. 2828

The purpose of this bill is to enhance the delivery of pharmaceutical services to the public by:

- (1) Replacing the United States Pharmacopoeia National Formulary (USPNF) as the reference material pharmacies are required to possess with any reference material prescribed by the Board of Pharmacy (Board); and
- (2) Expanding the form of current recordkeeping requirements to include any form of record rather than only by book or file, or microfilm of the book or file.

The Board of Pharmacy and Longs Drug Stores testified in support of this measure.

Currently, pharmacies are required to possess the latest version of the USPNF and all supplements. Your Committee finds that while the USPNF has served its purpose in the past, more practical and relevant reference materials have become available. By allowing the Board the flexibility to prescribe required reference materials, the reference materials can be updated as needed to include the most practical and useful references available.

Similarly, current law requires pharmacies to keep records by book or file or microfilm of the book or file. While these types of paper records may have been adequate in the past, modern technology provides many other options for recordkeeping. For example, Act 304, Session Laws of Hawaii 1997, allows pharmacies to utilize electronically transmitted prescriptions under certain conditions and chapter 329, Hawaii Revised Statutes, requires pharmacies to establish a controlled substance electronic accountability prescription system. This measure will align section 461-12, Hawaii Revised Statutes, with current practices and recent state legislation.

Your Committee notes that this bill is similar to H.B. No. 2817 which passed out of the House of Representatives earlier this session after public hearings before the Committee on Health and this Committee.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2828, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Case, Garcia, Herkes, Tom and Yoshinaga.

SCRep. 1356-98 Consumer Protection and Commerce and Judiciary on S.B. No. 2180

The purpose of this bill is to effect the intent of Act 120, Session Laws of Hawaii 1997, to extend the civil and criminal penalty provisions of the State motor carrier law to shippers and consignees in the State who contract for and utilize the services of illegal motor carriers.

Specifically, this measure amends section 271-27 (a), (h), and (j), Hawaii Revised Statutes, by removing the word "in" from the phrase "engages in" in each of the three subsections.

Supportive testimony was submitted by the Department of Transportation, the Public Utilities Commission, the Hawaii Transportation Association, and the Hawaii Operating Engineers Industry Stabilization Fund.

The technical change effected by this bill substantively affects the application of the motor carrier law. By changing the language "engages in" to "engages", a misdemeanor offense is chargeable not only against a person engaged in unlawful motor carrier activity, but also against a shipper or consignee who utilizes the services of the party operating illegally. Similarly, the civil penalties applicable to an illegal motor carrier can be assessed against the shipper or consignee who contracts for the carrier's services.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2180, S.D. 1, H.D. 1, and recommend that it pass Third Reading.

Signed by all members of the Committees except Representatives Cachola, Hiraki, Jones and Yoshinaga.

SCRep. 1357-98 Consumer Protection and Commerce and Judiciary on S.B. No. 3126

The purpose of this bill is to require that an application for temporary authority to provide common carrier or contract carrier service be:

- (1) In written form and verified under oath; and
- (2) Served upon every entity currently holding a certificate of public convenience and necessity in the classification for which temporary operating authority is sought.

The Public Utilities Commission (PUC) and the E Noa Corporation testified in support of the bill.

The service of process requirement established in this measure will ensure that all affected carriers will receive notice of the temporary authority application and have the opportunity to file a timely response thereto with the PUC.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3126, S.D. 2, and recommend that it pass Third Reading.

Signed by all members of the Committees except Representatives Cachola and Yoshinaga.

SCRep. 1358-98 Finance on S.B. No. 1122

The purpose of this bill is to streamline the noise permit review process by:

- (1) Reducing the period in which the Director of Health (Director) is required to approve or reject a noise permit application, modification, or renewal from one hundred eighty days to thirty days;
- (2) Extending to ninety days the period for the Director to act on applications which require a public informational meeting, hearing, or notice;
- (3) Allowing the Director to extend the ninety-day period by an additional ninety days for applications in which extraordinary circumstances exist; and
- (4) Specifying that if the Director fails to act within one hundred and eighty days on applications of extraordinary circumstances, the application shall be deemed approved.

The Department of Health testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1122, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Abinsay, Hamakawa, Suzuki and Ward.

SCRep. 1359-98 Finance on S.B. No. 2333

The purpose of this bill is to increase availability of emergency services by directing the Department of Health (DOH) to plan and develop a statewide emergency aeromedical services system.

DOH and the Hawaii Air Ambulance testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2333, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1360-98 Finance on S.B. No. 2769

The purpose of this bill is to include the planning, construction, operation, and maintenance of the State irrigation water systems with regard to agricultural planning and development and the systems' conservation and protection under the duties of the Department of Agriculture.

The Hawaii Farm Bureau, the Hawaii Agriculture Research Center, the Hawaii Aquaculture Association, and Mangrove Tropicals testified in support of this measure. DOA testified in support of the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2769 and recommends that it pass Third Reading.

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

SCRep. 1361-98 Finance on S.B. No. 2849

The purpose of this bill is to increase the fines for first and subsequent offenses involving the sale or furnishing of tobacco products to minors.

The Honolulu Police Department, the American Heart Association-Hawaii Affiliate, the Hawaii State PTSA, the Hawaii Food Industry Association, the Campaign for Tobacco Free Kids, the Coalition for a Tobacco Free Hawaii, the American Cancer Society-Hawaii Pacific Division, and the Department of Health testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2849, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1362-98 Finance on S.B. No. 3076

The purpose of this bill is to improve government efficiency, avoid duplications, and maximize the use of resources by creating a contract office within the Department of Human Services (DHS) to provide centralized, coordinated, and integrated purchase of service contracting for the Department of Health (DOH) and DHS.

DHS and DOH submitted testimony in support of the intent of this measure.

It is your Committee's intent that the two departments take steps to ensure that funds saved by each department are not commingled.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3076, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Hamakawa, Kanoho and Marumoto.

SCRep. 1363-98 Finance on S.B. No. 3230

The purpose of this bill is to relieve severe overcrowding in the State's correctional facilities by allowing the Governor and the Director of Public Safety (Director) to negotiate for the development of prison facilities.

Specifically, this measure provides that:

- (1) Development options for:
 - (A) Private, in-state correctional facilities;
 - (B) Public, in-state correctional facilities;
 - (C) Public, out-of-state turnkey correctional facilities; and
 - (D) Private, out-of-state correctional facilities,

shall discuss how the proposals fit and complement the existing state facilities;

- (2) Any out-of-state correctional facility be subject to legislative approval if the agreement is for a period of longer than five years; and
- (3) All proposed prison development address issues such as transportation, infrastructure improvements, and useful life costs.

The Department of the Prosecuting Attorney of the City and County of Honolulu and the Department of Public Safety submitted testimony in support of portions of the bill which relate to the authority of the Governor and the Director to negotiate for the development of prison facilities. An individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3230, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1364-98 Finance on S.B. No. 3025

The purpose of this bill is to make the Milk Control Program (Program) self-sustaining while providing a direct correlation between fees and services by establishing a Milk Control Special Fund for the deposit of application fees, license, and other moneys under the Milk Control Act and which shall be used to run the Program.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3025, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1365-98 Finance on S.B. No. 3024

The purpose of this bill is to make animal quarantine fiscally accountable by establishing the Animal Quarantine Special Fund to be funded by fees and other moneys and to be used to operate animal quarantine.

The Board of Agriculture supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3024, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1366-98 Finance on S.B. No. 705

The purpose of this bill is to exempt from civil service, the existing civil service law clerk positions of the Judiciary and one secretary position for the Judicial Council.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 705, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Abinsay.

SCRep. 1367-98 Finance on S.B. No. 2211

The purpose of this bill is to improve accountability in public education by proposing a constitutional amendment to change the Board of Education (BOE) from an elected board to an appointed board.

The Department of Business, Economic Development, and Tourism and the Hawaii Business Roundtable testified in support of this measure. The Hawaii Government Employees Association supported the intent of this measure. The BOE, the Hawaii State Teachers Association, a BOE member, and an individual opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2211, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Abinsay, Hamakawa, Suzuki and Ward.
(Representatives Fox, Marumoto and Meyer voted no.)

SCRep. 1368-98 Finance on H.C.R. No. 21

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources to reissue leases for the submerged lands presently occupied and utilized by the Waikiki Yacht Club and the Hawaii Yacht Club for the purpose of mooring and berthing recreational boats in conjunction with yacht club operations and activities, and submerged lands adjacent to the fuel dock necessary to support marine fueling and ancillary services, pursuant to the restrictions and conditions set forth in chapter 171, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 21, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Hamakawa, Kanoho, Nakasone, White, Marumoto and Ward.

SCRep. 1369-98 Finance on H.C.R. No. 103

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources to issue a lease to a private developer to redevelop, manage, and operate both fast and submerged lands at Hale O Lono Harbor for recreational and marina purposes pursuant to section 171-53, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 103, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Hamakawa, Kanoho, Nakasone, White, Marumoto and Ward.

SCRep. 1370-98 Water and Land Use on H.C.R. No. 160

The purpose of this concurrent resolution is to request that the Department of Agriculture and the Office of Planning:

- (1) Reassess the designation of "important agricultural lands to the State of Hawaii" in the Kona agricultural district; and
- (2) Determine which lands should be included in such designation.

The Board of Agriculture, a County Council Member of the County of Hawaii, Hawaii Farm Bureau, Kona Farmers Alliance, Kona Coffee Council, Plan to Protect, and a concerned individual all submitted testimony in support of this concurrent resolution. The Office of Planning of the Department of Business, Economic Development and Tourism also submitted testimony in support of this resolution, together with revised language clarifying the descriptive title of this measure.

Your Committee understands that the Kona coffee industry constitutes an important and significant portion of the State coffee industry. Furthermore, your Committee understands that if left unprotected, prime Kona coffee lands may be developed for purposes other than for coffee and that this may result in flooding for the lower slopes.

After due consideration, your Committee has amended this measure to incorporate the clarifying changes suggested by the Office of Planning as noted above.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 160, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 160, H.D. 2.

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

SCRep. 1371-98 Judiciary on H.C.R. No. 150

The purpose of this concurrent resolution is to urge Congress to enact legislation banning gambling on the Internet.

The Attorney General, the League of Women Voters of Hawaii, the Christian Science Committee on Publication in Hawaii, the Hawaii Green Party, the Hawaii Coalition Against Legalized Gambling, the Hawaii Association of International Buddhists, the Hawaii Youth Services Network, the Democratic Party of Hawaii, the Kauai Coalition and members of the public testified in support of the measure. The Police Department of the City and County of Honolulu testified in support of the intent of the measure.

Your Committee finds that gambling on the Internet promotes illegal activity in some states because not all forms of gambling are legal in all states. Your Committee further believes that without proper safeguards there is no guarantee that Internet gambling establishments are legitimate.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 150 and recommends its adoption.

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

SCRep. 1372-98 Judiciary on H.C.R. No. 17

The purpose of this concurrent resolution is to request that the Governor establish, by executive order, a Wahiawa Centennial Celebration Commission.

The Wahiawa Community & Business Association, Inc. testified in support of the measure.

Your Committee finds that the community of Wahiawa was established on June 14, 1898, and that this community is one of the State's oldest and largest viable communities. Your Committee believes that by executive order, the Governor may establish a Commission to facilitate the implementation of a centennial celebration.

Section 26-53.5, Hawaii Revised Statutes, provides limited immunity from civil suits for members of State boards and commissions. Establishment of a State Commission for the Wahiawa Centennial Celebration would assist in the recruitment of qualified individuals to serve as commissioners for this important event.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 17 and recommends its adoption.

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

SCRep. 1373-98 Consumer Protection and Commerce on H.C.R. No. 78

The purpose of this concurrent resolution is to reaffirm legislative support for the development and use of renewable energy through efforts such as:

- (1) Encouraging electric utilities to offer power purchase contracts that will help renewable energy developers secure project financing;
- (2) Directing electric utilities to submit required power purchase contracts to the Public Utilities Commission for approval;
- (3) Encouraging the State and counties to provide renewable energy projects necessary access to land;
- (4) Simplifying or eliminating permit requirements where permit approval is unnecessary or overburdensome; and
- (5) Providing public access to all State laws and regulations pertaining to renewable energy projects through the World Wide Web.

Kauai Electric, Hawaiian Electric Company and its subsidiaries, Maui Electric Company, and Hawaii Electric Light Company testified in support of this measure. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committee recognizes the benefits renewable energy offers our State including a reduced dependence on imported fossil fuels, reduced environmental pollution, and increased energy diversity and economic options. This concurrent resolution reaffirms the Legislature's support for the development of renewable energy and enhances Hawaii's position as a leader in alternative energy use.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 78, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Case, Garcia, Saiki, Tom, Yoshinaga and Pendleton.

SCRep. 1374-98 Consumer Protection and Commerce on H.C.R. No. 119

The purpose of this concurrent resolution is to request that the Insurance Commissioner convene a task force to conduct a study and prepare a report containing its findings and recommendations on a viable alternative to the QUEST Program that will provide comprehensive coverage for a wider population than currently enrolled in QUEST, at no additional cost to the State.

Supportive testimony was submitted by the Insurance Commissioner and a concerned individual.

Your Committee finds that:

- 1) The Quest Program is a five year demonstration program that is scheduled to expire in 1999;
- 2) The State spends an estimated \$1 billion annually on health care premiums for state and county employees and retirees, as well as those enrolled in QUEST; and
- 3) There is a growing population of residents who are either uninsured or faced with reduced health care insurance benefits.

Therefore, your Committee believes that convening a task force is necessary to explore health care insurance alternatives that make health care insurance available to a wider population, without an increase in state expenditures.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 119, H.D. 1 and recommends its adoption.

Signed by all members of the Committee except Representatives Case, Garcia, Saiki, Tom, Yoshinaga and Pendleton.

SCRep. 1375-98 Consumer Protection and Commerce on H.C.R. No. 117

The purpose of this concurrent resolution is to request a study that examines the feasibility of establishing a State-sponsored driver's education course and the possible reduction of automobile insurance premiums for graduates of that course.

The Department of Commerce and Consumer Affairs, the American Institute for Public Safety, and the Insurers Council submitted testimony in support of this measure.

Your Committee recognizes the positive benefits of driver's education in reducing motor vehicle accidents and therefore is supportive of a study that would examine the establishment of a State-sponsored driver's education course and the possible reduction of automobile insurance premiums for graduates of such a course.

Your Committee has amended this concurrent resolution by:

- (1) Requesting that the study also evaluate the rating criteria and rate discounts for all drivers in the State; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 117, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 117, H.D. 1.

Signed by all members of the Committee except Representatives Case, Garcia, Saiki, Tom, Yoshinaga and Pendleton.

SCRep. 1376-98 Public Safety and Military Affairs and Judiciary on H.C.R. No. 134

The purpose of this concurrent resolution is to advise the State not to allow the installation, deployment, or use of any devices that would generate or be used to produce low frequency active sonar within Hawaiian waters if current studies off the coast of the island of Hawaii indicate that this type of sonar would result in harm or adverse effects to marine life.

The Department of Land and Natural Resources, the International Cetacean Education and Research Center of Hawaii, the Hawaii Green Party, and several members of the public testified in support of the concurrent resolution. The Boat Owners Association of the State of Hawaii commented on the measure.

Your Committees are aware of the federal government's national security needs in testing new sonar such as the Surveillance Towed Sensor System Low Frequency Active (SURTASS LFA) sonar. However, your Committees find that the State should do all that it can to protect all of its wildlife resources and that a special obligation exists to protect those species that are endangered or threatened such as the humpback whale, sperm whale, and the green sea turtle.

Your Committees believe that if current tests conducted in Hawaiian waters by the United States Navy demonstrate that the low frequency active sonar is detrimental to sea life, especially endangered marine mammals such as the humpback and sperm whale, the State should make every effort to prevent the installation and use of any SURTASS LFA or similar devices.

With these considerations in mind, your Committees have amended this concurrent resolution by amending the title and text to indicate that the Legislature urges the Navy not to conduct any further tests of SURTASS LFA devices in Hawaiian waters until completion and approval of the final project environmental impact statement, but no earlier than the end of the 1999 whale breeding/calving season in Hawaiian waters.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 134, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 134, H.D. 2.

Signed by all members of the Committees except Representative Tom.

SCRep. 1377-98 Consumer Protection and Commerce and Judiciary on H.C.R. No. 241

The purpose of this concurrent resolution is to urge the Director of Business, Economic Development, and Tourism to convene the Petroleum Advisory Council to study Hawaii's gasoline prices.

The Department of Business, Economic Development, and Tourism and the Hawaii Automotive Repair and Gasoline Dealers Association testified in support of the bill.

Your Committees recognize that Hawaii's gasoline prices have not paralleled the decline of crude oil prices and that the declining economy in Hawaii increases this burden on Hawaii's consumers. Therefore, your Committees support a study to investigate the issues surrounding the gasoline pricing structure in Hawaii and support the convening of the Petroleum Advisory Council to offer Hawaii consumers a knowledgeable resource of information and the reassurance that the public's health, safety, and well-being are being safeguarded.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 241 and recommend its adoption.

Signed by all members of the Committees except Representatives Saiki, Tom and Yoshinaga.

SCRep. 1378-98 Legislative Management on H.C.R. No. 56

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct a follow-up study of the 1988 Legislative Auditor's report entitled "Study of Proposed Mandatory Health Insurance for Chiropractic Services."

For purposes of the public hearing, your Committee circulated a proposed H.D. 2 version entitled: "REQUESTING THE AUDITOR TO ASSESS THE STATE'S YEAR 2000 COMPUTER SYSTEMS COMPLIANCE EFFORTS." The proposed H.D. 2 version deletes the provisions of this concurrent resolution and inserts new language requesting the Legislative Auditor to assess the State's Year 2000 computer systems compliance efforts.

The Department of Accounting and General Services (DAGS) and the Hawaii Medical Service Association submitted testimony supporting the H.D. 2 proposal.

Your Committee finds that the Year 2000 problem stems from the fact that data systems can only recognize the last two digits of a year, and "00" is read as "1900" instead of "2000." As a result, many computer systems must be modified to ensure Year 2000 compliance and prevent errors or system failures before January 1, 2000.

The Year 2000 problem is affecting both public and private sector organizations throughout the world in a significant way. Tremendous amounts of human and financial resources are being used to solve this problem to avoid losses from system failures and resultant lawsuits.

Your Committee finds that DAGS is coordinating Year 2000 compliance for the departments of the Executive Branch and that it is committed in its efforts to have State government Year 2000 compliant by September 1999.

After deliberating on this matter, your Committee has amended this measure by deleting its substance and inserting instead the substance of the proposed H.D. 2, which was discussed during the public hearing.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 56, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 56, H.D. 2.

Signed by all members of the Committee except Representatives Say, Souki, Ito and White.

SCRep. 1379-98 Legislative Management on H.C.R. No. 68

The purpose of this concurrent resolution is to request the Legislative Auditor to:

- (1) Analyze the probable effects of the regulation of Professional Certified Midwives, as proposed in H.B. No. 3123 (1989) in accordance with section 26H-6, Hawaii Revised Statutes (HRS); and
- (2) Assess whether its enactment would be consistent with State policy as provided in section 26H-2, HRS.

The Department of Health, the Midwives Alliance of Hawaii, and several individuals supported this measure.

Your Committee finds that testimony indicated that women who have experienced midwife-attended home births in other jurisdictions where midwifery is allowed received high quality, cost-effective, safe, and supportive care before, during, and after childbirth. However, before this option can be made available in this State, an analysis is necessary to examine the impact of professional registered midwives and home deliveries on the health care system and the quality of perinatal care in Hawaii.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 68 and recommends its adoption.

Signed by all members of the Committee except Representatives Say, Souki, Ito and White.

SCRep. 1380-98 Legislative Management on H.C.R. No. 156

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to identify, compile, and summarize available demographic data on native Hawaiians.

The Department of Hawaiian Home Lands supported this measure.

Your Committee finds that decisions relating to the funding and implementation of programs benefitting native Hawaiians rely heavily on current and projected demographic data. This measure will enable LRB to determine what kind of information is available at the present time. After this determination is made, the State will be in a better position to make demographic projections in the future.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 156 and recommends its adoption.

Signed by all members of the Committee except Representatives Say, Souki, Ito and White.

SCRep. 1381-98 Legislative Management on H.C.R. No. 192

The purpose of this concurrent resolution is to request the Legislative Auditor to study the social and financial impacts of requiring all employer group health policies, contracts, plans, or agreements issued or renewed in Hawaii to provide coverage for early intervention services to children from birth to age three or until services are no longer deemed medically necessary.

The Department of Health, the Hawaii Medical Service Association, the Hawaii Early Intervention Coordinating Council, the Hawaii Early Intervention Association, Easter Seals Kauai Service Center, Imua Rehab, the Parent-Child Development Center, Family Support Services of West Hawaii, and an individual supported this measure.

Your Committee finds that legislation mandating insurance coverage of early intervention services has been enacted and is being proposed in other states. The study proposed by this concurrent resolution will lead to having private health insurers work in partnership with the State to provide needed services for families.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 192, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Say, Souki, Ito and White.

SCRep. 1382-98 Legislative Management on H.C.R. No. 223

The purpose of this concurrent resolution is to request the Legislative Auditor to conduct a study of mandatory health insurance coverage for mental health treatment and services in accordance with sections 23-51 and 23-52, Hawaii Revised Statutes.

The Hawaii Medical Service Association, the Equal Insurance Coalition, the Hawaii Psychiatric Medical Association, the Hawaii Psychological Association, and Hawaii Government Employees Association supported this measure. Kaiser Permanente supported the intent of this resolution, but had some concerns. The Department of Health supported this measure with recommended amendments. An individual commented on this measure.

Your Committee finds that the seriously mental ill are a severely undertreated population of the mentally ill in Hawaii. Providing only partial treatment for these individuals leads to increased costs in in-patient care and increased pressure on the public, social systems in the State.

In addition, 13 other states have enacted insurance parity laws where the seriously mentally ill are given the same insurance benefits as those with any other physical illness or disease. Cost impact studies conducted in these states have indicated that costs under full parity have not increased, but have remained flat. Some costs increased marginally and one state has even been able to show decreased costs as a result of insurance parity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 223, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Say, Souki, Ito and White.

SCRep. 1383-98 Agriculture on H.C.R. No. 238

The purpose of this concurrent resolution is to mitigate taro crop damage on Kauai by requesting the Department of Land and Natural Resources (DLNR), Forestry and Wildlife Division, and the Department of Agriculture (DOA) to work cooperatively and in consultation with the United States (U.S.) Department of Agriculture Animal and Plant Health Inspection Service to plan short- and long-term solutions concerning waterbird management on Kauai and the expansion of suitable areas for foraging and nesting habitat for waterbirds.

The Office of Hawaiian Affairs, the Office of Economic Development of Kauai County, the Kauai Taro Growers Association, and Fitzgerald Farms testified in support of the measure. DLNR testified in support of the intent of the measure. The U.S. Department of the Interior commented on this measure.

Your Committee finds that DLNR, DOA, the U.S. Fish and Wildlife Service, and the U.S. Department of Agriculture Animal and Plant Health Inspection Service are already working cooperatively to address the concerns stated in this concurrent resolution.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Requesting a report, rather than a plan, on the short- and long-term solutions regarding waterbird management on Kauai and the expansion of suitable areas for foraging and nesting habitat for waterbirds;
- (2) Adding a WHEREAS clause that states that cooperative efforts by several federal and state government agencies are currently being undertaken to address concerns regarding waterbird management on Kauai;
- (3) Changing its title to read: "REQUESTING A REPORT CONTAINING SHORT- AND LONG-TERM SOLUTIONS CONCERNING WATERBIRD MANAGEMENT ON KAUAI AND THE EXPANSION OF SUITABLE AREAS FOR FORAGING AND NESTING HABITAT FOR WATERBIRDS"; and

- (4) Making a technical, nonsubstantive amendment to correct a grammatical error.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 238, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 238, H.D. 2.

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

SCRep. 1384-98 Agriculture on H.C.R. No. 86

The purpose of this concurrent resolution is to examine existing regulations on the importation of microorganisms by requesting the Department of Agriculture (DOA) to establish a Task Force (Task Force) on the Importation of Microorganisms for research and commercial use.

The Department of Health, Cyanotech Corporation, the Hawaii Agriculture Research Center, the Hawaii Aquaculture Association, the Hawaii Farm Bureau, Mangrove Tropicals, Hawaiian Marine Enterprises, and an individual testified in support of this measure. The University of Hawaii College of Tropical Agriculture and Human Resources testified in support of the intent of this concurrent resolution. DOA testified that it does not support this measure.

Your Committee finds that while safety and health factors are paramount considerations regarding the importation of microorganisms into the State, overregulation of these microorganisms impedes research and other commercial activity. Your Committee believes that it is necessary that existing import regulations be examined and streamlined without compromising public health and safety, to facilitate research and commercial development.

Your Committee has amended this concurrent resolution by:

- (1) Decreasing the number of representatives on the Task Force and changing its composition;
- (2) Changing the scope of the request of the Task Force;
- (3) Requesting that the Director of Health and the President and Director of the Hawaii Agriculture Research Center receive certified copies of this measure, and deleting the Secretary of the United States Department of Agriculture, the Director of Business, Economic Development, and Tourism, and the Chairperson of the Board of Land and Natural Resources from the list; and
- (4) Making a technical, nonsubstantive amendment for clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 86, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 86, H.D. 1.

Signed by all members of the Committee except Representatives Jones, Morita and White.

SCRep. 1385-98 Energy and Environmental Protection on H.C.R. No. 45

The purpose of this concurrent resolution is to strengthen the aquaculture industry by developing measures to identify and eliminate regulatory impediments that restrict its development in this State.

The Department of Agriculture (DOA), the Hawaii Farm Bureau, the Hawaii Aquaculture Association, and Hawaiian Marine Enterprises testified in support of this measure. The Department of Health (DOH) testified that this measure is unnecessary and that DOH should be removed from the concurrent resolution.

Your Committee has amended this measure by:

- (1) Requesting the Department of Land and Natural Resources (DLNR) to assist DOA and DOH in the undertaking;
- (2) Reducing the scope of the request by deleting the need to:
 - (a) Develop appropriate measures that will eliminate the regulatory impediments; and
 - (b) Specifically address the Section 401 Water Quality Certification Permit;
- (3) Requesting the departments to consult with the aquaculture industry as part of the undertaking;
- (4) Requesting that the scope of the undertaking include the economic impact of these regulations on the industry as well as possible solutions;
- (5) Amending the title to read: "REQUESTING THE DEVELOPMENT OF APPROPRIATE MEASURES TO IDENTIFY THE REGULATORY IMPEDIMENTS RESTRICTING THE DEVELOPMENT OF THE AQUACULTURE INDUSTRY IN HAWAII, THE ECONOMIC IMPACT OF THESE REGULATIONS ON THE INDUSTRY, AND POSSIBLE SOLUTIONS";
- (6) Providing that the Chairperson of the Board of Land and Natural Resources receives a copy of this measure; and
- (7) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 45, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 45, H.D. 2.

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

SCRep. 1386-98 Energy and Environmental Protection on H.C.R. No. 77

The purpose of this concurrent resolution is to reduce greenhouse gas emissions by supporting efforts to improve energy efficiency and renewable energy in Hawaii.

The Department of Business, Economic Development, and Tourism (DBEDT), Kauai Electric, Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company, and the Hawaii Renewable Energy Alliance testified in support of this measure.

Your Committee recognizes DBEDT's efforts in developing a strategy to reduce greenhouse gas emissions. Therefore, this concurrent resolution has been amended by:

- (1) Describing DBEDT's efforts to develop the Hawaii Climate Change Action Plan and conduct its three-year update of the Hawaii Energy Strategy;
- (2) Clarifying that DBEDT is requested to continue to identify and support cost-efficient measures, rather than measures, to reduce artificial effects on the global climate system; and
- (3) Requesting DBEDT to submit a progress report on both the Hawaii Climate Change Action Plan as well as the Hawaii Energy Strategy.

Additionally, your Committee has:

- (1) Included the Environmental Protection Agency to the list of parties receiving certified copies of this measure; and
- (2) Corrected a drafting error in the title of this measure; and
- (3) Made technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 77, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 77, H.D. 1.

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

SCRep. 1387-98 Energy and Environmental Protection on H.C.R. No. 81

The purpose of this concurrent resolution as reported to this Committee is to urge the United States Senate to support the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

The December, 1997 Kyoto Protocol sets legally binding reduction targets for the developed nations of the world in an effort to abridge the amount of greenhouse gases (GHGs) emitted into the atmosphere. It is preceded by the 1992 Earth Summit in Rio de Janeiro, at which the U.S. Government signed the Framework Convention on Global Climate Change. The U.S. Senate ratified in 1993 this voluntary agreement by economically developed nation-states to take voluntary actions to reduce GHG emissions to their 1990 levels by 2010.

The meetings in Brazil and Japan were organized to address findings by the Intergovernmental Panel on Climate Change (IPCC) and the World Health Organization (WHO) that climate change attributed to human-produced GHGs will cause numerous global problems. It is capable of endangering human life with an increasing number of cases of infectious diseases, and it will threaten agriculture, forests, fisheries and water resources. The IPCC reported that if the world is to avoid the dangerous consequences of global warming, all countries must take action to curb their emission output.

It is recognized that the United States is currently the largest producer of GHGs, producing 20% of the world's carbon emissions as it produces 26% of the world's goods and services. The United States can do its part to reduce GHG emissions by improving the efficiency of its automobiles and of its production of electricity, increasing the efficiency of its lighting and heating systems, and promoting exports of its cleanest technologies to developing countries.

Your Committee heard testimony in favor of this resolution from the Sierra Club and the Union of Concerned Scientists (UCS). Hawaiian Electric Company, Inc. testified in opposition to this measure.

Your Committee finds that global participation in the reduction of GHG emissions is internationally recognized by scientists as an important and necessary action. In response to the Kyoto Climate Summit, UCS has initiated the World Scientists' Call for Action. This statement, signed by over 1500 scientists from 63 countries, including 104 Nobel laureates (99 of which are winners in the sciences), urges government leaders to:

- (1) act immediately to prevent the potentially devastating consequences of human induced global warming; and
- (2) demonstrate a new commitment to protecting the global environment.

Your Committee finds that without the participation of developing countries in a global emissions reducing strategy, the object of stabilizing atmospheric concentrations of GHGs cannot be achieved, and additionally, the economy of the U.S. will be unfairly burdened. Furthermore, the U.S. Senate has unanimously ratified the Byrd-Hagel Resolution, which finds that the United States should not sign any protocol on the reductions of GHGs that does not include developing countries or which would result in serious harm to the economy of the United States.

Any effort to reduce GHG emissions would have to include global participation of all GHG producing nations. It is projected that during the next century, developing countries will continue to accelerate their fossil fuel use, and therefore their GHG emissions. By 2015, China alone will surpass the United States in total carbon emissions. And by that same date, the developing countries as a whole are expected to be producing 45% of the world's GHG emissions. Without full participation within the same compliance period of the developing nations, particularly China, South Korea, Mexico, Brazil, India, and Singapore, the target reductions of the United States and other developed nations will have been in vain, resulting in little or no slowing of the steady increase of GHG concentrations in the earth's atmosphere.

The United States is facing exceptional economic challenges with the potential ratification of this agreement. In meeting their Kyoto Protocol target of 7% reductions below 1990 levels by the year 2012, it is predicted that the United States could suffer serious harm to its economy, including significant job loss, trade disadvantages, increased energy and consumer costs, or any combination thereof. By contrast, Western Europe, which agreed to equally aggressive percent reductions in GHGs, is not expected to suffer to the same extent that the U.S. will in meeting their projected goals. Unlike the U.S., Western European nations can evade reductions by "bubbling," or averaging their emissions among the E.U. nations. They have another advantage in this agreement in that a great deal of their energy supply is produced by nuclear plants, which are not affected by the Kyoto Protocol.

Therefore, given the findings of the IPCC and WHO, and the passage of the Byrd-Hagel Resolution, your Committee has amended this concurrent resolution by:

- (1) Changing the title to read: "URGING THE UNITED STATES GOVERNMENT TO CONTINUE NEGOTIATIONS TO COMPEL DEVELOPING COUNTRIES TO PARTICIPATE IN THE IMPLEMENTATION OF THE KYOTO PROTOCOL SO THAT SUCH PROTOCOL CAN BE RATIFIED BY THE UNITED STATES"; and
- (2) Making substantive amendments so that the language of the concurrent resolution fulfills the objective of the measure title.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 81, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 81, H.D. 1.

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

SCRep. 1388-98 Energy and Environmental Protection on H.C.R. No. 235

The purpose of this concurrent resolution is to ensure that used lead acid batteries are not abandoned by encouraging retailers and suppliers to voluntarily accept used lead acid batteries for recycling even when new batteries have not been purchased.

The Department of Health testified in support of this measure and the Hawaii Automotive Repair and Gasoline Dealers Association offered comments.

Your Committee finds that over 300,000 lead acid batteries are purchased each year. Approximately 285,000 used batteries are returned annually, in large part due to the law requiring retailers to accept used batteries from customers in a quantity at least equal to the number of new batteries purchased. Nevertheless, there is concern over the estimated 15,000 batteries that are never returned.

Your Committee further finds that some retailers voluntarily accept used batteries even though a sale may not be involved. However, this practice:

- (1) Requires retailers to pay for the disposal of these batteries; and
- (2) May encourage small repair shops to drop off their used batteries with a competitor for free disposal as an alternative to complying with the current system as required by law.

Therefore, your Committee has amended this measure by:

- (1) Encouraging retailers to impose a "core charge" on battery transactions in which a used battery is not returned;
- (2) Changing the title to read: "ENCOURAGING RETAILERS OF LEAD ACID BATTERIES TO IMPOSE A "CORE CHARGE" ON ALL BATTERIES SOLD WITHOUT USED BATTERIES BEING RETURNED";
- (3) Elaborating on the problem of the 15,000 abandoned batteries, its causes, and the success of one retailer who achieved a high recovery rate by using the "core charge" method which involves a deposit refund upon the return of used batteries; and
- (4) Deleting provisions requesting the industry to provide names and locations of retailers and suppliers willing to accept used batteries.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 235, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 235, H.D. 1.

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

SCRep. 1389-98 Finance on H.C.R. No. 36

The purpose of this concurrent resolution is to approve the biennial review of the compensation plans and the costs thereof submitted by the personnel directors of the State, the Judiciary, and the counties, including the report published by the Public Employees Compensation Appeals Board.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 36 and recommends its adoption.

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

SCRep. 1390-98 Finance on H.C.R. No. 88

The purpose of this concurrent resolution is to, among other things, request the State Auditor to conduct an actuarial study and a programmatic audit of the public employees health fund, and request the Legislative Reference Bureau to assess the policy issues relating to the change in the structure of governance of the health fund to an employer-union trust concept.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 88, H.D. 1 and recommends its adoption.

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

SCRep. 1391-98 Finance on H.C.R. No. 116

The purpose of this concurrent resolution is to request the Office of the Governor to proceed with discussions which may lead to a letter of agreement with the National Performance Review committing both the state and federal governments to explore reducing barriers to reinventing government by shifting to performance management and performance partnerships to achieve public goals.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 116 and recommends its adoption.

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

SCRep. 1392-98 Finance on H.C.R. No. 49

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to update its survey of government programs in the State for fiscal year 1998-1999 that are mandated by the federal government.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 49 and recommends its adoption.

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

SCRep. 1393-98 Finance on H.C.R. No. 60

The purpose of this concurrent resolution is to request the State and the County of Hawaii to construct a multi-purpose sports and recreation complex in Hilo, Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 60 and recommends its adoption.

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

SCRep. 1394-98 Finance on H.C.R. No. 202

The purpose of this concurrent resolution is to, among other things, request large landowners in Hawai'i to provide long term leases and that financial institutions in the State consider more flexible agricultural loans to assist farmers.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 202 and recommends its adoption.

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

SCRep. 1395-98 Finance on H.C.R. No. 22

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to establish a task force to study the feasibility of and to make recommendations for a recreational marine fishing license.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 22, H.D. 1, and recommends its adoption.

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

SCRep. 1396-98 Finance on H.C.R. No. 115

The purpose of this concurrent resolution is to strongly support the proposal to establish the Marine Bioproducts Engineering Center, with facilities at the University of Hawaii, as a key component for the future success of marine biotechnology in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 115 and recommends its adoption.

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

SCRep. 1397-98 Finance on H.C.R. No. 8

The purpose of this concurrent resolution is to support the recommendation of the Economic Revitalization Task Force that the Department of Education participate in the Hawaii School-to-Work Opportunities System and that the private sector provide financial support and leadership for the program when federal funding ends.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 8, H.D. 1, and recommends its adoption.

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

SCRep. 1398-98 Finance on H.C.R. No. 42

The purpose of this concurrent resolution is to request the Department of Education, School Food Service Program, to adopt an official policy to purchase locally produced food whenever possible.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 42, H.D. 1, and recommends its adoption.

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

SCRep. 1399-98 Finance on H.C.R. No. 82

The purpose of this concurrent resolution is to, among other things, request the Departments of Health and Education to collaborate to develop student-centered mental health intervention services for children and youths with mental health needs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 82 and recommends its adoption.

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

SCRep. 1400-98 Finance on H.C.R. No. 120

The purpose of this concurrent resolution is to establish a Joint Legislative Committee on Early Childhood Education and Care to encourage the development and implementation of responsive policies that integrate early childhood education, care, protection, and health services.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 120, H.D. 1, and recommends its adoption.

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

SCRep. 1401-98 Finance on H.C.R. No. 153

The purpose of this concurrent resolution is to request the Department of Education to offer a Junior Reserve Officer Training Corps program at Ka'u High School on the Big Island.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 153, H.D. 1, and recommends its adoption.

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

SCRep. 1402-98 Finance on H.C.R. No. 157

The purpose of this concurrent resolution is to request the Mayor of the City and County of Honolulu and the Governor to convene a Joint State and County Task Force to develop a master plan for improvements to the Manoa Recreational Park and Manoa Elementary School.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 157 and recommends its adoption.

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

SCRep. 1403-98 Finance on H.C.R. No. 163

The purpose of this concurrent resolution is to request that the Department of Education allow students in the Youth Leadership Demonstration Project on the island of Hawaii the flexibility to utilize general funds in a manner that would generate additional sources of revenues to financially sustain future student programs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 163 and recommends its adoption.

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

SCRep. 1404-98 Finance on H.C.R. No. 177

The purpose of this concurrent resolution is to endorse the efforts of the Ala Wai Canal Watershed Improvement Project.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 177, H.D. 1, and recommends its adoption.

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

SCRep. 1405-98 Finance on H.C.R. No. 245

The purpose of this concurrent resolution is to support the withdrawal of 4.5 acres from Governor's Executive Order No. 1529 and the transfer of this land to the Department of Hawaiian Home Lands.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 245, H.D. 1, and recommends its adoption.

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

SCRep. 1406-98 Finance on H.C.R. No. 167

The purpose of this concurrent resolution is to urge the Department of Education to determine how to expand foreign language instruction to all schools and to make it available to as many young students as possible in order to make Hawaii's graduates competitive in the job market.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 167, H.D. 1, and recommends its adoption.

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

SCRep. 1407-98 Finance on H.C.R. No. 10

The purpose of this concurrent resolution is to urge the United States Congress to continue and to strengthen its support for the East-West Center.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 10, H.D. 1, and recommends its adoption.

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

SCRep. 1408-98 Finance on H.C.R. No. 127

The purpose of this concurrent resolution is to request the University of Hawaii's President's Committee on International Programs to conduct a feasibility study on the establishment of satellite universities in the Asia-Pacific region.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 127, H.D. 1, and recommends its adoption.

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

SCRep. 1409-98 Finance on H.C.R. No. 217

The purpose of this concurrent resolution is to commend the College of Tropical Agriculture and Human Resources for its many contributions to Hawaii and its people.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 217, H.D. 1, and recommends its adoption.

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

SCRep. 1410-98 Finance on H.C.R. No. 11

The purpose of this concurrent resolution is to request that the Family Health Services Division of the Department of Health provide early intervention services in compliance with the requirements of P.L. 102-119, Individuals with Disabilities Education Act, and the *Felix v. Waihee* consent decree, to help contain future costs of mental health services and that mental health services for children under five years of age be assessed as early as possible.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 11, H.D. 1, and recommends its adoption.

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

SCRep. 1411-98 Finance on H.C.R. No. 20

The purpose of this concurrent resolution is to encourage the Department of Health to adhere to the federal Centers for Disease Control guidelines regarding improper prescriptions and to encourage professional organizations to educate the medical community on the dangers of improper prescription.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 20, H.D. 1, and recommends its adoption.

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

SCRep. 1412-98 Finance on H.C.R. No. 147

The purpose of this concurrent resolution is to request the Hawaii Health Systems Corporation to determine what steps are necessary to strengthen the Corporation's negotiating position in contract negotiations that determine the reimbursable costs for medical services.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 147 and recommends its adoption.

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

SCRep. 1413-98 Finance on H.C.R. No. 155

The purpose of this concurrent resolution is to request the Department of Health to convene a task force not later than August 1, 1998, to conduct an assessment of the needs of individuals with developmental disabilities and their families, regarding the support and services they need in order to continue to live in the community.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 155 and recommends its adoption.

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

SCRep. 1414-98 Finance on H.C.R. No. 244

The purpose of this concurrent resolution is to request the Department of Health to undertake studies of hepatitis C incidence and prevalence within selected populations in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 244, H.D. 1, and recommends its adoption.

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

SCRep. 1415-98 Finance on H.C.R. No. 50

The purpose of this resolution is to request that the Department of Human Services explore a new QUEST distribution methodology based on patient health risk factors.

The Hawaii State Primary Care Association, the Waianae Coast Comprehensive Health Center, and Aloha Care submitted testimony in support of this measure. The Department of Human Services ("DHS") submitted testimony opposing this measure.

Your Committee finds that the current QUEST distribution methodology encourages plans to seek to attract the healthiest enrollees in QUEST. This results in disproportionate numbers of maternity and chronically ill patients between health plans, leaving those plans with a high proportion of high-risk individuals to bear the adverse financial effects. Your Committee further finds that a new distribution methodology based on patient health risk factors would result in a more equitable distribution of funds to health plans and providers.

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

- (1) Requesting that DHS formulate, instead of explore, a new distribution methodology, and reflecting this change in the title;

- (2) Requesting that DHS base any risk adjusted methodology in paying health plans on SOBRA (Sixth Omnibus Budget and Reconciliation Act) by using current available HEDIS (Health Employer Data Information System) reports to identify births by plans;
- (3) Requesting that the QUEST plans complete the process by December 31, 2000;
- (4) Requesting that DHS's newly formulated methodology be considered in developing contracts with plans for the contract period beginning July 1, 2001, rather than July 1, 1999; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 50, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 50, H.D. 2.

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

SCRep. 1416-98 Finance on H.C.R. No. 24

The purpose of this concurrent resolution is to urge the United States Congress, the President of the United States, and the Secretary of Health and Human Services to support the Hawaii congressional delegation's efforts to amend the Social Security Act to increase Hawaii's Federal Medical Assistance Percentage in consideration of our high cost of living.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 24, H.D. 1, and recommends its adoption.

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

SCRep. 1417-98 Finance on H.C.R. No. 121

The purpose of this concurrent resolution is to urge the Children's Health Insurance Program Planning Committee to develop universal health coverage for all of Hawaii's children and submit a plan to the Legislature.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 121 and recommends its adoption.

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

SCRep. 1418-98 Finance on H.C.R. No. 139

The purpose of this concurrent resolution is to request the Governor to convene a state conference on the future role of the residential care home industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 139 and recommends its adoption.

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

SCRep. 1419-98 Finance on H.C.R. No. 141

The purpose of this concurrent resolution is to urge the United States Congress to restore food stamp benefits to legal, noncitizen immigrants who have been denied participation in the federal Food Stamp Program due to Public Law 104-193, Personal Responsibility and Work Opportunity Reconciliation Act.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 141 and recommends its adoption.

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

SCRep. 1420-98 Finance on H.C.R. No. 225

The purpose of this concurrent resolution is to develop a solid infrastructure of long-term care (LTC) residential and community-based settings by requesting the Legislative Reference Bureau to assess the financial and social impact when expanding the residential and community-based LTC setting option to nursing facility level elderly and disabled clients.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 225, H.D. 1, and recommends its adoption.

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

SCRep. 1421-98 Finance on H.C.R. No. 12

The purpose of this concurrent resolution is to request the Legislative Reference Bureau, with assistance from the Department of Taxation, the Department of Business, Economic Development, and Tourism, and the East-West Center, to develop an action plan to develop Hawaii as a base for multinational enterprises.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 12, H.D. 1, and recommends its adoption.

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

SCRep. 1422-98 Finance on H.C.R. No. 92

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism, in conjunction with the University of Hawaii's College of Tropical Agriculture and Human Resources and School of Ocean and Earth Science and Technology, the Department of Agriculture, and the appropriate private sector firms, to develop strategies and coordinate initiatives to facilitate the growth of Hawaii's biotechnology industry.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 92, H.D. 1, and recommends its adoption.

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

SCRep. 1423-98 Finance on H.C.R. No. 100

The purpose of this concurrent resolution is to encourage the formation of a local World Trade Center Association in Hawaii to promote business between Hawaii and the economies of the Asia and Pacific region.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 100, H.D. 1, and recommends its adoption.

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

SCRep. 1424-98 Finance on H.C.R. No. 112

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism, to establish a program to be called the "Business Aloha Team Program", to be comprised of an ad hoc group of senior decision-makers from public and private sector organizations, to assist individual businesses in creating and retaining jobs within the State.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 112 and recommends its adoption.

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

SCRep. 1425-98 Finance on H.C.R. No. 9

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to support efforts to establish a professional sports franchise in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 9 and recommends its adoption.

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

SCRep. 1426-98 Finance on H.C.R. No. 73

The purpose of this concurrent resolution is to request the Director of Business, Economic Development, and Tourism, to establish a Tourism Forecasting Panel to develop forecasts of visitor arrivals to Hawaii on a regular basis.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 73, H.D. 1, and recommends its adoption.

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

SCRep. 1427-98 Finance on H.C.R. No. 91

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism, in consultation with the University of Hawaii and representatives of Hawaii's educational institutions and visitor industry, to develop a marketing program for edutourism.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 91 and recommends its adoption.

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

SCRep. 1428-98 Finance on H.C.R. No. 129

The purpose of this concurrent resolution is to request DBEDT's Office of Tourism and the Hawaii Visitors and Convention Bureau to provide additional support and promotion for culture and the arts in their marketing and development of tourism in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 129, H.D. 1, and recommends its adoption.

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

SCRep. 1429-98 Finance on H.C.R. No. 172

The purpose of this concurrent resolution is to urge the State of Hawaii and the City and County of Honolulu to work together to establish a Joint Waikiki Task Force to explore the revitalization and renovation of Waikiki and surrounding areas including the Hawaii Convention Center.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 172, H.D. 1, and recommends its adoption.

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

SCRep. 1430-98 Finance on H.C.R. No. 216

The purpose of this concurrent resolution is to urge the State of Hawaii and the City and County of Honolulu to grant authorization to allow display of attractive banners to welcome groups to the State of Hawaii, the City and County of Honolulu, and the Hawaii Convention Center.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 216, H.D. 1, and recommends its adoption.

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

SCRep. 1431-98 Finance on H.C.R. No. 220

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to coordinate with the Hawaii Visitors and Convention Bureau, the National Quarterback Club, the NFL Pro Bowl Committee, the Hawaii High School Athletic Association, the Department of Education, the University of Hawaii athletic staff and booster clubs, the Hawaii Winter League Baseball Association, and the Quarterback Club of Hawaii, to work out arrangements to host the next National Quarterback Awards Dinner in Hawaii during the Pro Bowl week.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 220, H.D. 1, and recommends its adoption.

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

SCRep. 1432-98 Finance on H.C.R. No. 71

The purpose of this concurrent resolution is to request that the Congress of the United States prepare and submit to the several states an amendment to the Constitution of the United States to add a new article providing as follows:

"Neither the Supreme Court nor any inferior court of the United States shall have the power to instruct or order a state or a political subdivision thereof, or an official of such a state or political subdivision, to levy or increase taxes".

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 71 and recommends its adoption.

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

SCRep. 1433-98 Finance on H.C.R. No. 107

The purpose of this concurrent resolution is to request the Judiciary to examine the issue of juror fees and mileage rates.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 107 and recommends its adoption.

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

SCRep. 1434-98 Finance on H.C.R. No. 143

The purpose of this concurrent resolution is to request the Auditor to solicit legal opinions from the Office of the Attorney General concerning the situations which could potentially impact payments to the Department of Hawaiian Home Lands.

Your Committee on Finance has amended this bill by replacing its contents with H.C.R. No. 143, which requests the Auditor to update its 1991 study entitled, "Study of Revenue Entitlements to the Department of Hawaiian Home Lands."

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.C.R. No. 143, H.D. 2, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 143, H.D. 3.

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

SCRep. 1435-98 Finance on H.C.R. No. 80

The purpose of this concurrent resolution is to request the Department of Defense, Civil Defense Division, to conduct a study on the availability and condition of hurricane-resistant public shelters within each County.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 80 and recommends its adoption.

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

SCRep. 1436-98 Finance on H.C.R. No. 218

The purpose of this concurrent resolution is to express support for either the construction of a new correctional facility and or the expansion of the existing facility at Kulani on the Big Island.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 218, H.D. 1, and recommends its adoption.

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

SCRep. 1437-98 Finance on H.C.R. No. 105

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to study the effect that the Koloa Sugar Mill Venture, which would grow "Kamiya" or "X-77" papayas on now vacant former sugar lands and would convert the former Koloa Sugar Mill into a papaya treatment and processing facility, would have on the operations of Kaua'i Tropical Fruit Disinfestation Facility at Lihue, Kaua'i.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 105, H.D. 1, and recommends its adoption.

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

SCRep. 1438-98 Finance on H.C.R. No. 166

The purpose of this concurrent resolution is to request the Department of Agriculture to examine the feasibility of transferring the Animal Quarantine Station to either the Department of Health or to a nonprofit entity, such as the Hawaiian Humane Society or similar organization.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 166 and recommends its adoption.

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

SCRep. 1439-98 Finance on H.C.R. No. 67

The purpose of this concurrent resolution is to request the Department of Health in cooperation with the various counties and the scrap recycling industry, to determine the amount of scrap metal currently being disposed of in Hawaii landfills and assess the impact of banning scrap metal from landfills, in the same manner that rubber tires are now banned on Oahu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 67, H.D. 1, and recommends its adoption.

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

SCRep. 1440-98 Finance on H.C.R. No. 26

The purpose of this concurrent resolution is to request the Department of Transportation to review Hawaii's impaired driving statutes and make recommendations for uniform statutory construction.

The Department of Transportation and the Governor's Highway Safety Council submitted testimony in support of this measure.

Upon further consideration, your Committee has amended this concurrent resolution to:

- (1) Request the Department of Transportation with the assistance of the Legislative Reference Bureau to review Hawaii's impaired driving statutes and make recommendations for uniform statutory construction; and
- (2) Include a representative from the Governor's Highway Safety Council on the advisory panel.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.C.R. No. 26, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 26, H.D. 2.

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

SCRep. 1441-98 Higher Education on H.C.R. No. 213

The purpose of this concurrent resolution is to request the University of Hawaii School of Travel Industry Management to study the feasibility of converting the former Sheraton Makaha Inn to an educational-training-conference facility.

The Department of Education testified in support of the purpose of the measure. The Hawaii Visitors and Convention Bureau supported the intent of the measure. The Department of Business, Economic Development, and Tourism and Waianae High School and the Waianae Complex School-to-Work of the Department of Education commented on the measure.

Your Committee finds that the former Sheraton Makaha Inn is a facility that is suited for use for educational, training, conference, and outreach purposes by the University of Hawaii, the Department of Education, and other agencies. Such use would support the economy of the Leeward Coast of Oahu, which has been struggling economically for some time.

Your Committee has amended this concurrent resolution by:

- (1) Deleting references to the School of Travel Industry Management;
- (2) Modifying the description of the potential use of the former Sheraton Makaha Inn;
- (3) Adding outreach as a potential use of the facility;
- (4) Requesting the study to be conducted by the University of Hawaii, in conjunction with the Leeward District of the Department of Education and the Department of Business, Economic Development, and Tourism, rather than by the School of Travel Industry Management, with the assistance of the School of Business Administration;
- (5) Revising the title to conform with revisions to the body; and
- (6) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 213, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 213, H.D. 1.

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

SCRep. 1442-98 Transportation on H.C.R. No. 249

The purposes of this House concurrent resolution, as received by your Committee, are to support the efforts of the Departments of Health and Transportation in assessing the extent of contamination in and around Honolulu Harbor, to request that reports of the progress and findings be reported to the public and the Legislature, and to request the Department of Transportation (DOT) to develop new lease provisions and procedures.

Your Committee finds that the Departments of Health and Transportation are currently assessing the extent of contamination in the Honolulu Harbor area and the potential risks of such contamination. Your Committee further finds that State properties are leased for commercial uses, and may suffer from contamination through such usage.

The proposed House concurrent resolution supports the efforts of the Departments of Health and Transportation in their efforts to assess the extent and potential consequences of contamination of Honolulu Harbor, and requests reports of their findings be submitted to the public and the Legislature. It also requests that procedures be established to ensure that leased State properties are returned in the condition existing at the time the leases are executed.

Testimonies in support of this measure were received from the DOT, the Department of Health, and the Hawaiian Electric Company and its subsidiary utilities, Hawaii Electric Light Company and Maui Electric Company.

Your Committee has amended this House concurrent resolution by making technical, nonsubstantive amendments for purposes of style and grammatical correctness.

As affirmed by the records of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 249, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 249, H.D. 2.

Signed by all members of the Committee except Representatives Nakasone, Yamane, Yonamine and Marumoto.

SCRep. 1443-98 Agriculture on H.C.R. No. 239

The purpose of this concurrent resolution is to request the Department of Agriculture (DOA) to create an action plan to suppress the gorse shrub.

The Office of Hawaiian Affairs, the Native Hawaiian Legal Corporation, the Waimea Hawaiian Homesteaders' Association, Inc., the Hawaii Association of Conservation Districts, and RESCUE Hawaii testified in support of this

measure. DOA and the Department of Land and Natural Resources testified in support of the intent of this measure. The Department of Hawaiian Home Lands and the University of Hawaii College of Tropical Agriculture and Human Resources commented on this measure.

Your Committee finds that the gorse shrub, an aggressive, thorny shrub, has encroached on the grazing lands of cattle and greatly threatens Hawaii's ecosystem. The magnitude of the spread of the gorse shrub is a problem so pervasive that immediate steps must be taken to control this noxious weed.

Your Committee has amended this concurrent resolution by:

- (1) Deleting the words "and demise" from the first WHEREAS clause, with regard to the decline of sugar and pineapple;
- (2) Including Parker Ranch in the creation of the action plan and in the submittal of a joint report to the Legislature; and
- (3) Requesting that Parker Ranch receive a certified copy of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 239, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 239, H.D. 2.

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

SCRep. 1444-98 Agriculture on H.C.R. No. 242

The purpose of this concurrent resolution is to promote the consumption of Hawaii-grown products and processed foods on designated days by requesting the Governor, Department of Agriculture (DOA), the Department of Business, Economic Development, and Tourism, and the Hawaii Farm Bureau Federation to develop a comprehensive program (program) and a task force (task force) to revitalize the agriculture industry in this regard.

DOA, the Agribusiness Development Corporation, the Industry Network Corporation, and the Hawai'i Restaurant Association testified in support of this measure. The University of Hawaii College of Tropical Agriculture and Human Resources and the Hawaii Farm Bureau Federation testified in support of the intent of this measure. The Hawaii Food Manufacturers Association commented on this measure.

Your Committee believes that encouraging the people of Hawaii to consume Hawaii-grown products and Hawaii-processed foods will help strengthen the market for these products.

Your Committee has amended this concurrent resolution by:

- (1) Deleting the request that the task force develop a slogan for the program;
- (2) Deleting reference to the implementation and financing of "IT'S FRIDAY, KAUKAU HAWAII DAY";
- (3) Changing its title to read: "REQUESTING THE DEVELOPMENT OF A PROGRAM TO REVITALIZE THE AGRICULTURE INDUSTRY BY PROMOTING THE CONSUMPTION OF HAWAII-GROWN PRODUCTS AND HAWAII-PROCESSED FOODS ON DESIGNATED DAYS"; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 242, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 242, H.D. 1.

Signed by all members of the Committee except Representatives Abinsay, Takai and Halford.

SCRep. 1445-98 Energy and Environmental Protection on H.C.R. No. 205

The purpose of this concurrent resolution is to reduce the harmful effects from the use of herbicides in roadside maintenance.

This measure requests the Department of Transportation (DOT) and the County Mayors to:

- (1) Reduce the use of herbicides along roadsides;
- (2) Consult with other jurisdictions that have successfully reduced or eliminated herbicides in their maintenance programs; and
- (3) Report to the Legislature on:
 - (a) The amount of herbicides purchased in 1997;
 - (b) Their progress in reducing the use of herbicides along roadsides; and
 - (c) Their progress toward adopting and implementing roadside vegetation management programs.

The Sierra Club, Hawaii Chapter, Hawaii's Coalition for Alternatives to Pesticides, and two individuals testified in support of this concurrent resolution. DOT supported the intent of this measure. The City and County of Honolulu, Department of Public Works, the Hawaii Pest Control Association, RESCUE Hawaii, and an individual testified in opposition.

Your Committee has amended this measure by:

- (1) Requesting DOT and the mayors to adopt management plans for roadside maintenance with the objective of reducing the use of herbicides to minimize risks to the public, ensure worker safety, and protect the environment;
- (2) Clarifying that it is the improper use of herbicides that may be harmful to human health;
- (3) Specifying that other jurisdictions have instituted integrated vegetative management programs to reduce or eliminate herbicides in their roadside maintenance programs;
- (4) Clarifying that the option of allowing natural roadsides to develop may be the most cost-effective program;
- (5) Changing the title to read: "REQUESTING THE ADOPTION OF MANAGEMENT PLANS FOR ROADSIDE MAINTENANCE"; and
- (6) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 205, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 205, H.D. 2.

Signed by all members of the Committee except Representatives Goodenow, Kanoho, Tarnas and Meyer.

SCRep. 1446-98 Judiciary on H.C.R. No. 135

The purpose of this concurrent resolution is to request the Department of Hawaiian Home Lands (DHHL) to create and oversee a forum on the issue of an elected Hawaiian Homes Commission.

The State Council of Hawaiian Homestead Associations and two members of the public testified in support of the concurrent resolution. DHHL testified in support of the intent of the measure.

Your Committee finds that the concept of an elected commission may be desirable as native Hawaiians move toward increased self-determination. This measure is a step in that direction.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 135, H.D. 1, and recommends its adoption.

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

SCRep. 1447-98 Judiciary on H.C.R. No. 151

The purpose of this concurrent resolution is to commemorate the Tenth Anniversary of the signing of the Civil Liberties Act.

Your Committee removed the contents of this concurrent resolution and replaced it with proposed language that requests the Governor to establish a subcommittee within the Governor's Committee on Crime to coordinate and review the effectiveness of drug awareness, education, and prevention programs in Hawaii.

With respect to the above-mentioned proposed amendment, the Attorney General and the Department of Education testified in support of the intent of the measure. The Drug Enforcement Administration testified in support of the measure.

Your Committee finds that there is no single entity responsible for the coordination and administration of drug abuse, education, and prevention programs in Hawaii and that there have been questions as to the overall effectiveness of many programs that currently receive State funding. Your Committee believes that a method to evaluate and obtain data on the effectiveness of these programs is essential to ensure that the persons who are in need of these programs are receiving quality services while ensuring that State funds are utilized in the best possible manner.

Upon further consideration, your Committee has amended this concurrent resolution by amending the title and body of the measure to request the Drug Enforcement Administration to coordinate and review the effectiveness of drug awareness, education, and prevention programs in Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 151, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 151, H.D. 1.

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

SCRep. 1448-98 Finance on H.R. No. 18

The purpose of this resolution is to request the Legislative Reference Bureau to update its survey of government programs in the State for fiscal year 1998-1999 that are mandated by the federal government.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 18 and recommends its adoption.

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

SCRep. 1449-98 Finance on H.R. No. 22

The purpose of this resolution is to, among other things, request the State Auditor to conduct an actuarial study and a programmatic audit of the public employees health fund, and request the Legislative Reference Bureau to assess the policy issues relating to the change in the structure of governance of the health fund to an employer-union trust concept.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 22, H.D. 1, and recommends its adoption.

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

SCRep. 1450-98 Finance on H.R. No. 26

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism, in consultation with the University of Hawaii and representatives of Hawaii's educational institutions and visitor industry, to develop a marketing program for edutourism.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 26 and recommends its adoption.

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

SCRep. 1451-98 Education on H.R. No. 56

The purpose of this resolution is to encourage the Kihei High School Community Committee to continue its efforts to establish a charter school in Kihei centered on systems technology and based on public-private partnerships.

Testimony in support of the measure was submitted by the Hawaii Congress of Parents, Teachers and Students, the High Technology Development Corporation, and an individual. The University of Hawaii testified that Maui Community College is prepared to respond to requests for assistance from the Department of Education and the Kihei High School Community Committee.

Your Committee supports the creation of a charter school centered on systems technology and based on public-private partnerships. Technology will play an increasingly important role in the world, and our children must learn as much about it as possible in order to survive and prosper. The private sector has much to offer our schools in the form of technology resources. Furthermore, through the private students can be exposed to real-life situations to which they can apply their knowledge.

However, the substance of this resolution is also contained in H.C.R. No. 207, which was heard by your Committee and approved. As such, H.R. No. 56 is duplicative and unnecessary.

Your Committee has amended the measure by deleting its substance and inserting the substance of H.C.R. No. 183, which encourages all Hawaii residents to speak more than one language.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 56, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 56, H.D. 1.

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

SCRep. 1452-98 Tourism on S.C.R. No. 9

The purpose of this resolution is to support efforts to establish a professional sports franchise in Hawaii, and to direct the Department of Business, Economic Development, and Tourism to offer assistance and conduct a sports activities and infrastructure study.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development, and Tourism, and the Hawaii Business Roundtable.

Your Committee finds that sports events in general provide tremendous tourism promotion benefits to Hawaii, especially those that generate large amounts of national and international news coverage. The success of sports events in Hawaii, such as the NFL Pro-Bowl, the Major League Baseball regular season games in 1997 between the San Diego Padres and St. Louis Cardinals, and NBA exhibition games between the Los Angeles Lakers and Denver Nuggets in 1997, demonstrate the feasibility of a professional franchise.

Your Committee revised this resolution by:

1. Adding the President of the Chamber of Commerce of Hawaii and the Chairman of the Hawaii Business Roundtable to the recipients of copies; and
2. Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 9, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 9, S.D. 1, H.D. 1.

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

SCRep. 1453-98 Tourism on S.C.R. No. 190

The purpose of this resolution is to encourage the Aloha Racing Foundation and its partners in their endeavor to bring the America's Cup home to the United States and establish Hawaii as a location for yacht racing, and to urge the support of the Department of Business, Economic Development, and Tourism.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development, and Tourism, Aloha Racing Foundation, Hawaii Thermal Inc., Boat Owners Association of the State of Hawaii, one former State Senator and four private citizens.

Your Committee finds that support for the Aloha Racing Challenge for America's Cup XXX is addressed in another resolution, and that a great need exists for a policy to allow welcome banners at the convention center and an advisory body to handle applications for permission to display such banners. The convention center plays a key role in the State's plans for stimulating economic activity and every effort should be made to maximize its ability to fulfill its mission of generating revenue from out of the State by providing hospitable surroundings for large meetings, conventions and tradeshow.

Your Committee revised this resolution by removing its contents and adding the following provisions:

1. Urging the State of Hawaii and the City and County of Honolulu to grant authorization to allow a display of attractive banners to welcome groups;
2. Request the City and County of Honolulu to allow event organizers to request permission to display banners from the eight public lampposts on the streets directly in front of the main entrance of the Hawaii Convention Center;
3. Request the Convention Center Authority to establish a five-member Banner Welcome Program Advisory Board;
4. Amending the purpose paragraphs and title to reflect the new content; and
5. Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 190, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 190, S.D. 1, H.D. 1.

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

SCRep. 1454-98 Tourism on S.C.R. No. 191

The purpose of this resolution is to urge the formation of a Joint Waikiki Task Force by the State of Hawaii and the City and County of Honolulu for discussion and coordination of the numerous issues involving Waikiki and the surrounding areas.

Your Committee received testimony as follows:

1. Department of Business, Economic Development, and Tourism, Convention Center Authority, Department of Transportation, Hawaii Business Roundtable, in support;
2. 1717 Ala Wai Association of Apartment Owners, in opposition; and
3. Board of Land and Natural Resources, offering comment.

Your Committee finds that tourism remains Hawaii's primary industry and that Waikiki is the single most important visitor destination in the State. The signs of wear and age in facilities and infrastructure in the Waikiki area indicate the tremendous need for improvements and jeopardizes the economic future of the whole State. The Economic Revitalization Task Force identified this as a major issue and recommended the formation of a Joint City-State Task Force to address the problem.

Several organizations and agencies already exist to address some aspect of the Waikiki issue, but a single body should coordinate and consolidate all efforts.

Your Committee revised this resolution by:

1. Requesting the Task Force to develop a master plan incorporating tourism-related infrastructure construction, beautification projects and capital improvement project priorities and considering the relationship of Waikiki to the surrounding areas;
2. Removing the Executive Director of the Convention Center Authority from the Task Force;
3. Removing the Waikiki residency requirement of at least one of the three private citizens appointed by the Governor and by the Mayor of the City and County of Honolulu;
4. Removing the Administrative Director of the State, the Executive Director of the Convention Center Authority, and the Directors of Business, Economic Development, and Tourism, Land and Natural Resources, Health, and Transportation from the list of those receiving certified copies;
5. Changing the title to "HOUSE CONCURRENT RESOLUTION URGING THE STATE OF HAWAII AND CITY AND COUNTY OF HONOLULU TO WORK TOGETHER TO ESTABLISH A JOINT WAIKIKI TASK FORCE TO EXPLORE THE REVITALIZATION AND RENOVATION OF WAIKIKI AND SURROUNDING AREAS INCLUDING THE HAWAII CONVENTION CENTER"; and
6. Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 191, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 191, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Ahu Isa, Ito, Jones and White.
(Representative Aiona voted no.)

SCRep. 1455-98 Ocean Recreation and Marine Resources on S.C.R. No. 128

The purpose of this concurrent resolution is to request the Board of Land and Natural Resources (BLNR) to convene a Thrill Craft Advisory Committee to review safety issues of privately-owned thrill craft and the feasibility of registration and certification of the operators.

Testimony in support of this measure was received from BOATS/Hawaii, Windward Watersports Center, and Hot Lava Jet Ski Club, Ke Loa O Ke Kai, International Tow Surf and the Haleiwa Jet Ski.

The Department of Land and Natural Resources testified that the recommendations to be developed by the Advisory Committee will be useful in addressing the issue of thrill craft safety. However, it could not support this because the administrative support required by the Advisory Committee would exceed budgeted resources.

Your Committee finds that education and the establishment of training requirements for personal water craft operators, as well as proposed rules for areas of thrill craft operations, are necessary to maintain the integrity of this recreational activity.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 128, S.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1456-98 Health on S.C.R. No. 31

The purpose of this resolution is to request the Department of Health (DOH) to develop a rural health plan ensuring the improvement of health facilities on Hawaii and making available medical services to the residents on the island of Hawaii, including the districts of Puna and Ka'u.

Your Committee received testimony from the DOH and State Health Planning and Development Agency in support of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 31, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Stegmaier, McDermott and Ward.

SCRep. 1457-98 Health on S.C.R. No. 207

The purpose of this resolution is to request the Department of Health (DOH) to study the extent and severity of Hepatitis C within selected populations in the State.

Your Committee received testimony from the DOH and Schering-Plough Corporation in support of this measure. Hepatitis C has recently been identified as a "silent killer" by health authorities.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 207, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki, Stegmaier, McDermott and Ward.

SCRep. 1458-98 Health on S.C.R. No. 47

The purpose of this resolution is to request the University of Hawaii School of Public Health and the Hawaii Center for Integral Healing to study the feasibility of using complementary and alternative medical care in the State's health care system.

Your Committee received testimony from the University of Hawaii School of Public Health strongly supporting this measure. Hawaii is uniquely positioned to make major contributions to the health of its people by examining the potential of some of the world's oldest health care practices. Such research could help enhance the effectiveness of current health interventions.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 47 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Arakaki, Stegmaier, McDermott and Ward.

SCRep. 1459-98 Health on S.C.R. No. 64

The purpose of this resolution is to request the Legislative Auditor to analyze 1) the probable effects of proposed regulation contained in H.B. No. 3123 (1998) of Professional Certified Midwives and 2) alternative forms of regulation other than H.B. No. 3123 (1998).

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 64, S.D. 1, and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Arakaki, Stegmaier, McDermott and Ward.

SCRep. 1460-98 Health on S.C.R. No. 19

The purpose of this concurrent resolution is to protect the health of individuals with metabolic disorders who require medical foods by requesting the Auditor to assess the social and financial effects of requiring health insurers to offer coverage for medical foods for the treatment of inherited metabolic diseases.

The Hawaii Medical Service Association, the Hawaii Dietetic Association, and several individuals submitted testimony in support of this measure. The Department of Health submitted testimony in support of the intent of this measure.

Metabolic diseases are conditions in which the individual is unable to properly digest and metabolize certain foods. This inability causes severe, and sometimes fatal, consequences to the individual, including mental retardation, seizures, strokes, and coma. An individual with one of the metabolic diseases specified in the concurrent resolution can avoid these consequences with a special diet that excludes certain foods and substitutes medical food, which are foods formulated to be free of the offending substance.

While these foods can enable individuals to avoid the serious consequences of their conditions, they are expensive. S.B. No. 2408 (1998) was introduced to require health insurance coverage for medical foods for the treatment of metabolic diseases.

Inasmuch as this concurrent resolution seeks to investigate a possible new mandated benefit, your Committee believes that representatives of Hawaii's business community should be included at the onset of this study.

Therefore, your Committee has amended this measure by:

- (1) Including the Executive Directors of Small Business Hawaii, the National Federation of Independent Businesses, the Chamber of Commerce of Hawaii, and the Director of the Hawaii Public Employees Health Fund on the list to receive certified copies of the concurrent resolution; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 19, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as S.C.R. No. 19, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Stegmaier, McDermott and Ward.

SCRep. 1461-98 Health on S.C.R. No. 25

The purpose of this concurrent resolution is to ensure that consumers seeking the assistance of professional mental health and rehabilitation counselors are protected from unskilled, untrained, and ill-prepared individuals by requesting the Auditor to determine whether the regulation of these professional counselors, as proposed in S.B. No. 2341 (1998), would be consistent with State policy.

The Hawaii Rehabilitation Counseling Association, the Commission on Persons with Disabilities, and numerous individuals submitted testimony in support of this measure. Child and Family Service, the Hawaii Counseling Association, and several individuals submitted testimony in support of this measure with technical amendments as made in H.C.R. No. 53, H.D. 1.

The regulation of professional mental health counselors and professional rehabilitation counselors would provide consistent and accountable standards of practice and a manner of recourse in the event that unethical or unqualified treatment is received. This measure would comply with section 26H-6, Hawaii Revised Statutes, which requires the Legislative Auditor to assess the probable effects of proposed regulatory measures being considered for enactment and whether the enactment would be consistent with State policy.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting the substance of H.C.R. No. 53, H.D. 1. As amended, the only differences are technical and nonsubstantive in nature.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 25, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as S.C.R. No. 25, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Stegmaier, McDermott and Ward.

SCRep. 1462-98 Health on S.C.R. No. 28

The purpose of this concurrent resolution is to restore a significant degree of emotional and psychological wellness to victims of breast cancer by requesting the Auditor to assess the social and financial effects of requiring health insurers to offer coverage for post-mastectomy breast reconstructive surgery.

The Hawaii Medical Service Association submitted testimony in support of this measure.

Inasmuch as this study contemplates a potentially costly mandated benefit that employers will have to fund, your Committee believes that it is appropriate to involve the business community at the outset in this study.

Therefore, your Committee has amended this measure by:

- (1) Including, among those who are to receive a copy of this concurrent resolution, the Executive Directors of Small Business Hawaii, the Chamber of Commerce of Hawaii, and the National Federation of Independent Business; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 28, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as S.C.R. No. 28, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Stegmaier, McDermott and Ward.

SCRep. 1463-98 Health on S.C.R. No. 48

The purpose of this concurrent resolution is to assure that private health insurance meets its responsibilities to work in partnership with the state to provide early intervention services for families by requesting the Auditor to conduct a sunrise review of mandatory health insurance coverage for early intervention services.

The Department of Health, the Hawaii Medical Services Association, Imua Rehab, the Hawaii Early Intervention Coordinating Council, the Hawaii Early Intervention Association, the Family Support Services of West Hawaii, Sultan Easter Seal School, and the Kauai Service Center submitted testimony in support of this measure.

Your Committee finds that with the creation of the Early Intervention Carve-Out, the publicly-funded health insurance system has entered into full partnership with the State to provide these critically important prevention services. This is a cost-effective investment for both the private insurers and the State to assure that they jointly will not be responsible for providing more costly treatment services in the future.

Inasmuch as this study contemplates a potentially costly mandated benefit that employers will have to fund, your Committee believes that it is appropriate to involve employers at the outset in the study. Therefore, your Committee has amended this measure by adding the National Federation of Independent Business to the list of agencies to receive a certified copy of this concurrent resolution. Furthermore, your Committee has made technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 48, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce, in the form attached hereto as S.C.R. No. 48, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki, Stegmaier, McDermott and Ward.

SCRep. 1464-98 Water and Land Use on S.B. No. 1081

The purpose of this bill is to:

- (1) Amend the hunting license exemption that currently applies to Department of Land and Natural Resources (DLNR) employees and other persons authorized by the Board of Land and Natural Resources (BLNR) to destroy game birds and mammals, by repealing the exemption for employees; and
- (2) Waive the hunting license fee for DLNR employees who are required to have a license to carry out their departmental duties.

BLNR submitted testimony in support of this measure. The Hawaii Rifle Association also submitted testimony in support of this measure, together with a recommendation that with respect to license exemptions for persons other than DLNR employees, language be inserted allowing only a temporary exemption limited to those cases where DLNR determines an emergency exists.

Your Committee finds that the hunting license exemption is necessary to protect the livelihood of smaller agricultural landowners, who often receive BLNR authorization to hunt without a license on their own private land in order to stop game birds and mammals from damaging their crops. Your Committee does not want to illegitimize these existing authorizations. In addition, your Committee does not want to make the applicable emergency authorization process more time consuming, and finds that BLNR needs the ability to be flexible in its issuance of hunting license waivers in order to assist small agricultural landowners in a timely manner, and avoid liability for crop losses as a result of the added delay or the failure to issue a hunting license waiver.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1081, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 1465-98 Higher Education on S.C.R. No. 73

The purpose of this concurrent resolution is to request the University of Hawaii to establish a sister university relationship with the Sun Yat-Sen University of Medical Sciences, in Guangzhou, Guangdong, the People's Republic of China.

Your Committee received testimony in support of the intent of this measure from the Chancellor for Community Colleges of the University of Hawaii (University).

Your Committee finds that with its expected grant of autonomy this year, the University of Hawaii stands at the threshold of becoming a premier institution in the Asia Pacific region. In order to achieve its potential, it is necessary for the University to develop and maintain meaningful relationships with other institutions in the region, such as the Sun Yat-Sen University of Medical Sciences in the People's Republic of China.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 73, S.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1466-98 Higher Education on S.C.R. No. 213

The purpose of this concurrent resolution is to request the University of Hawaii to establish a sister university relationship with the National Taipei University of Technology, in Taiwan.

Your Committee received testimony in support of the intent of this measure from the Chancellor for Community Colleges of the University of Hawaii (University).

Your Committee finds that with its expected grant of autonomy this year, the University of Hawaii stands at the threshold of becoming a premier institution in the Asia Pacific region. In order to achieve its potential, it is necessary for the University to develop and maintain meaningful relationships with other institutions in the region, such as the National Taipei University of Technology, in Taiwan.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 213, S.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1467-98 Higher Education on S.C.R. No. 89

The purpose of this concurrent resolution is to urge the University of Hawaii-West Oahu, in cooperation with the Director of Business, Economic Development, and Tourism, to explore the feasibility of initiating a golf professional management program and of having such a program certified by the United States Professional Golf Association (USPGA).

Testimony in support of the intent of this measure was submitted by the University of Hawaii-West Oahu. The Department of Business, Economic Development, and Tourism commented on the measure.

Your Committee finds that the availability of quality golf experiences is important to tourism, and therefore critical to Hawaii's economy. A professional golf management program certified by the Professional Golf Association would be attractive to local, as well as international, students.

At this time, the best location for housing a golf management program is not clear. As such, the feasibility study should consider various alternatives, and consideration should be given to integrating the golf management program at Maui Community College and other community colleges.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 89, S.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1468-98 Public Safety and Military Affairs on S.C.R. No. 71

The purpose of this concurrent resolution is to urge the United States Department of Defense to designate Pearl Harbor as the homeport of an aircraft carrier, and to proceed with all actions necessary to move the aircraft carrier, including its air wing, assigned personnel, and their dependents to their new homeport.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism (DBEDT), The Chamber of Commerce of Hawaii, and the Department of Transportation (DOT). In opposition, American Friends Service Committee supplied testimony.

Your Committee has been informed by DOT that the Naval Air Station Barbers Point Redevelopment Plan proposes that Kalaeloa Airport be used primarily as a general aviation airport, but that DOT is willing to support future plans that need to be implemented to accommodate the aircraft carrier airwing.

Furthermore, your Committee finds that the addition of a Navy carrier at Pearl Harbor would provide immediate stimulus to the local economy by contributing thousands of new jobs and millions of dollars of revenues. It also would secure Hawaii's position as an important element of the Navy's ability to maintain its readiness and project its forces into the Pacific Ocean in a timely and effective manner.

Your Committee has amended this concurrent resolution by:

- (1) Indicating that the study group will be convened by DBEDT; and
- (2) Adding that a certified copy of this concurrent resolution be transmitted to the Governor, the Mayor and the City Council of the City and County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 71, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Economic Development and Business Concerns in the form attached hereto as S.C.R. No. 71, S.D. 1, H.D. 1.

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

SCRep. 1469-98 Public Safety and Military Affairs on S.C.R. No. 186

The purpose of this concurrent resolution is to request the Department of Labor and Industrial Relations (DLIR) to develop a definition of "Hawaii Resident" and to propose the use of this definition to the Federal government to clarify and facilitate enforcement of Public law 99-190, relating to hiring residents on defense contracts in Hawaii.

Based upon testimony received from the Department of Labor and Industrial Relations, your Committee has made amendments to provide a working definition of "Hawaii resident" so that relevant statutory changes can be made prior to requesting its use in defense contracts in Hawaii. We have requested that other State agencies collaborate with the Department of Labor and Industrial Relations in the drafting of the definition.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 186, as amended herein, and recommends that it be referred to the Committee on Labor and Public Employment, in the form attached hereto as S.C.R. No. 186, H.D. 1.

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

SCRep. 1470-98 Human Services and Housing on S.C.R. No. 80

The purpose of this concurrent resolution is to protect the health, safety, welfare, and economic capabilities of victims of sexual assault by requesting the Department of Human Services (DHS) to engage in discussions with the Women's Coalition and sexual assault service providers to extend its Family Violence Option to include all victims of sexual assault.

The Hawaii State Commission on the Status of Women and the Sex Abuse Treatment Center submitted testimony in support of this measure. DHS submitted testimony in support of the intent of this measure.

Your Committee believes that this concurrent resolution will ensure a focus for DHS to address the issue of sex assault victims who are in need of welfare waivers to enhance their safety and ability to attain economic self-sufficiency.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 80 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1471-98 Human Services and Housing on S.C.R. No. 146

The purpose of this concurrent resolution is to improve the overall quality of care in long-term care residential facilities by requesting a study to assess strategies for organizing the various forms of residential care providers.

The Department of Human Services, the Department of Health, the State Planning Council on Developmental Disabilities, the Executive Office on Aging, the Commission on Persons with Disabilities, the Healthcare Association of Hawaii, and the American Association of Retired Persons submitted testimony in support of this measure.

Your Committee has determined that the proposed study to be conducted by the Joint Legislative Committee on Long-Term Care, which is already in existence, is already under its purview. Therefore, your Committee believes that this concurrent resolution is unnecessary as currently drafted.

Your Committee further believes that a more pressing issue needs to be addressed: reforming the Child Protective Services (CPS) system. As the CPS system has been recently highlighted in the media, your Committee finds that an audit is necessary to provide a starting point to work towards improving the system.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting language requesting the Legislative Auditor to conduct a management, financial, and program audit focusing on decision-making processes of CPS. Accordingly, your Committee has amended this measure by changing the title to read: "REQUESTING A MANAGEMENT, FINANCIAL, AND PROGRAM AUDIT FOCUSING ON DECISION-MAKING PROCESSES OF CHILD PROTECTIVE SERVICES".

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 146, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.C.R. No. 146, S.D. 2, H.D. 1.

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

SCRep. 1472-98 Human Services and Housing and Health on S.C.R. No. 196

The purpose of this concurrent resolution is to streamline services for persons with developmental disabilities by requesting the Departments of Human Services (DHS) and Health (DOH) to examine ways to eliminate duplication of the administration and provision of home- and community-based programs and services by those departments.

The State Planning Council on Developmental Disabilities submitted testimony in support of this measure. The Commission on Persons with Disabilities submitted testimony in support of the intent of this measure. DHS and DOH submitted comments.

Your Committees find that DHS and DOH have somewhat overlapping jurisdictions to provide home- and community-based services to persons with developmental disabilities. Your Committees agree with the intent of this concurrent resolution, and finds that it is in the public interest to eliminate the duplication of efforts and resources.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 196, S.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kahikina, Stegmaier and Ward.

SCRep. 1473-98 Energy and Environmental Protection on S.C.R. No. 59

The purpose of this concurrent resolution is to maximize the capacity of Hawaii's landfills by reducing the volume of scrap metal being disposed of in these landfills.

This measure requests the Department of Health (DOH) to:

- (1) Determine the amount of scrap metal currently being disposed of in landfills; and
- (2) Assess the impact of banning scrap metal from landfills.

DOH and the Hawaii Metal Recycling Company testified in support of this concurrent resolution.

Your Committee has amended this measure by requesting DOH to consult with the counties in conducting its assessment.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 59, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.C.R. No. 59, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Garcia, Tarnas and Meyer.

SCRep. 1474-98 Energy and Environmental Protection on S.C.R. No. 81

The purpose of this concurrent resolution is to encourage the maximum use of green waste by Hawaii's composting and soil amendment industries by:

- (1) Directing the Departments of Transportation (DOT), Accounting and General Services (DAGS), and Land and Natural Resources (DLNR) to include in their contracts with private contractors a requirement that green waste generated at job sites be hauled to the nearest composting center or other recycling facility, where available or economically practical; and
- (2) Encouraging State departments and agencies to obtain or purchase Hawaii-produced compost and soil amendment in bulk from local compost or recycling facilities.

DLNR and the City and County of Honolulu Department of Public works testified in support of this measure. DOT and DAGS supported its intent.

Your Committee has amended this measure by making a technical, nonsubstantive correction.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 81, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.C.R. No. 81, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Garcia, Tarnas and Meyer.

SCRep. 1475-98 Energy and Environmental Protection on S.C.R. No. 101

The purpose of this concurrent resolution is to request the Department of Transportation (DOT) and the Mayor of each County to:

- (1) Adopt management plans for weed control methods used in roadside maintenance;
- (2) Consult with other jurisdictions that have successfully minimized risks through the adoption of vegetation management programs; and
- (3) Report on their progress in reducing the use of herbicides in roadside maintenance by using the amount of herbicides purchased in 1997, as a base.

RESCUE Hawaii testified in support of this measure. DOT and the Hawaii Agriculture Research Center supported its intent. The Department of Health offered comments, and the City and County of Honolulu Department of Public Works opposed this measure.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting the substance of H.C.R. No. 205, H.D. 2, entitled: "REQUESTING THE ADOPTION OF MANAGEMENT PLANS FOR ROADSIDE MAINTENANCE", which was reported out earlier by your Committee. As amended, this measure differs from the previous draft by, among other things, requesting the parties to report on their progress toward adopting and implementing roadside vegetation management programs, including gathering data regarding injuries requiring medical treatment for workers or members of the public, and the control methods associated with such injuries.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 101, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Transportation in the form attached hereto as S.C.R. No. 101, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Garcia, Tarnas and Meyer.

SCRep. 1476-98 Culture and the Arts on S.C.R. No. 34

The purpose of this concurrent resolution is to request that the Governor establish the Wahiawa Centennial Celebration Commission by executive order.

The Hawaii Restaurant Association, State Senator Robert Bunda, and the Wahiawa Community and Business Association testified in support of this concurrent resolution, citing the significant role the community has had in the last 100 years and the importance of recognizing the centennial anniversary of Wahiawa.

Your Committee finds that to protect the Commission and the centennial celebration from civil liability, the Wahiawa Centennial Celebration Commission must be established by the Governor's executive order.

The measure has been amended by:

- (1) Adding, that a certified copy of this concurrent resolution be transmitted to the President of the Wahiawa Community and Business Association.
- (2) Clarifying, that the Chair of the Wahiawa Neighborhood Board be transmitted a certified copy of this concurrent resolution.
- (3) Making technical, nonsubstantive revisions for purposes of style and clarity

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 34, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 34, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Takamine.

SCRep. 1477-98 Culture and the Arts on S.C.R. No. 159

The purpose of this concurrent resolution is to perpetuate the Aloha spirit by requesting all state employees to use the word "Aloha" as the official greeting when meeting the public or answering telephone calls from the public.

H.C.R. No. 84 is a companion measure that was approved by the House and transmitted to the Senate prior to the time S.C.R. No. 159 was approved by the Senate and transmitted to the House. According to traditional practice, H.C.R. No. 84 is the preferred vehicle. As such, S.C.R. No. 159 is unnecessary.

A hearing notice was issued notifying the public to submit testimony reflecting the deletion of the substance of S.C.R. No. 159 and the insertion of substance requesting the establishment of the Okinawan Centennial Celebration Commission (Commission) by executive order.

Testimony in support of this proposed new language was submitted by the Department of Business, Economic Development, and Tourism (DBEDT), the Hawaii United Okinawa Association, and the Hawaii Okinawa Center.

Your Committee supports the establishment of the Commission by executive order. Private funds have already been solicited to finance the operations of the Commission. In addition, DBEDT indicated an interest in providing staff support to the Commission. Your Committee urges support by all other appropriate State agencies; however, all support activities by State agencies shall be within the limitations of legislative appropriations, and no additional State funding shall be required to support the Commission.

Your Committee has amended the measure by deleting its substance and replacing it with substance requesting the Governor to establish an Okinawan Centennial Celebration Commission by executive order.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 159, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 159, H.D. 1.

Signed by all members of the Committee except Representative Takamine.

SCRep. 1478-98 Energy and Environmental Protection on S.C.R. No. 90

This concurrent resolution requests the State Attorney General (AG) to apply to the United States District Court, District of Hawaii, to modify the final judgment and consent decree between Shell Oil Company (Shell), Texaco Incorporated (Texaco), and the AG, regarding the alleged antitrust violation resulting from the joint venture entered into by Texaco and Shell in 1997. This measure requests removal of the requirement that either Shell or Texaco divest themselves of their Oahu retail assets. In the alternative, this concurrent resolution requests that the AG entirely withdraw from all terms of that consent decree.

The Hawaii Automotive Repair & Gasoline Dealers Association (HARGD), and the owner of Kahala Shell Auto Care, Inc. (KSAC) representing Shell and Texaco dealers in Hawaii, testified in strong support of this concurrent resolution. KSAC stated the belief that as a result of the consent decree the stations of some Shell and Texaco Dealers would be closed 150 days from the date of the hearing before your Committee. HARGD questioned the assumptions upon which the consent decree was based and asked that this concurrent resolution be amended to request the AG to investigate and include conditions in the consent decree that would provide affected dealers with greater protection during the divestiture.

The AG opposed the concurrent resolution, testifying that the consent decree would benefit Hawaii gasoline consumers and that the divestiture should not cause any substantial harm to dealer lessees of Shell and Texaco.

Although your Committee does not wish to second guess the actions of the AG, inasmuch as they are within the authority of the AG, taken in good faith and based upon information collected and evaluated by the AG, your Committee must also consider the interests of the dealers affected by the divestiture, as well as the possibility that the burden placed on these dealers may be either based on incorrect assumptions, or, may be lessened through modifications to the terms of the consent decree.

Consequently, your Committee has amended this concurrent resolution to:

- (1) Reflect that the Governor, through the AG, has the option of requesting a modification or rescission of the consent decree; and
- (2) Request that the AG reevaluate the factual and theoretical basis and assumptions for the consent decree, and that the AG survey the concerns of dealers affected by the terms of that decree.

Finally, your Committee has added language requesting that the AG modify or withdraw from the consent decree based on this reevaluation.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 90, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 90, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Garcia, Tarnas and Meyer.

SCRep. 1479-98 Energy and Environmental Protection on S.C.R. No. 154

This concurrent resolution requests the Attorney General to:

- (1) Conduct an investigation into the reasons why gasoline prices have remained significantly higher than mainland prices, including whether or not there has been collusion in Hawaii's wholesale gasoline market; and
- (2) Take appropriate legal action if a violation of federal or state antitrust laws is found.

The State Attorney General (AG) testified that the AG's office has been conducting an ongoing investigation into Hawaii's gasoline prices but that the investigation did not encompass collusion. The AG supported this concurrent resolution to the extent that sufficient funding was available, and testified that the depth of investigation needed to determine whether or not collusion had occurred, would be costly, and would require additional funding that the Legislature had not presently been able to provide.

In accordance with the AG's testimony concerning an ongoing investigation into Hawaii's gasoline prices, your Committee has amended this concurrent resolution to acknowledge, support, and request continuation of this investigation.

Although your Committee believes that, to the extent possible, the public should be informed about the connection or the lack thereof between illegal, collusive activity and the high price of gasoline, your Committee acknowledges that until adequate funding is provided such an investigation cannot be conducted. In addition, your Committee has concerns regarding the effect of an investigation into collusion on the productivity of the voluntary participants of the Petroleum Advisory Council. Thus, your Committee has removed language from the title and body of the concurrent resolution requesting that the AG investigate collusion.

Finally, your Committee has added a clause requesting that the AG cooperate with the Petroleum Advisory Council (PAC), because the AG's investigation may be facilitated by information obtained through PAC's discussions concerning petroleum pricing in Hawaii.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 154, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 154, H.D. 1.

Signed by all members of the Committee except Representatives Garcia, Tarnas and Meyer.

SCRep. 1480-98 Education on S.C.R. No. 180

The purpose of this concurrent resolution is to request the Department of Education (DOE) to name the Maui High School gymnasium in honor of former Senator Mamoru Yamasaki.

Your Committee received testimony in support of this measure from DOE.

Your Committee finds that Senator Yamasaki served the people of Maui for thirty-three years in the Legislature with wisdom, honesty, compassion, and integrity. Naming the Maui High School gym in his honor would be a fitting tribute to his commitment to the people of Maui.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 180 and recommends its adoption.

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

SCRep. 1481-98 Education on S.C.R. No. 192

The purpose of this concurrent resolution is to encourage the Kihei High School Community Committee to continue its efforts to establish a charter school in Kihei, Maui, centered on systems technology and based on public-private partnerships.

Your Committee received testimony in support of this measure from the High Technology Development Corporation and the Kihei High School Community Committee. The Department of Education submitted comments.

Your Committee finds that such public-private partnerships offer new opportunities for the timely development of educational facilities in areas of rapid population growth, and for funding alternatives so important in the face of restrictions on State funding.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 192 and recommends its adoption.

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

SCRep. 1482-98 Education on S.C.R. No. 137

The purpose of this concurrent resolution is to request the Board of Education (Board) to consider the proposal of the Economic Revitalization Task Force that all pupils graduating from high school beginning with the 2000 school year shall be competent in languages other than English as defined by the Board.

Your Committee received testimony in support of the intent of this measure from the Board.

Your Committee finds that the Economic Revitalization Task Force's proposals that high school graduates be computer literate as well as proficient in a second language are important goals which deserve recognition. Your Committee strongly believes that second language proficiency and computer literacy are both critical skills our students will need to compete and be successful in the new millennium.

Accordingly, your Committee supports these goals, and has amended this measure by:

- (1) Adding appropriate language requesting the Board to consider the proposals that all high school graduates be computer literate upon graduation in the year 2000, in addition to being competent in a second language;
- (2) Changing the title to reflect the amendment; and
- (3) Making technical, nonsubstantive revisions.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 137, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 137, S.D. 1, H.D. 1.

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

SCRep. 1483-98 Hawaiian Affairs and Judiciary on S.C.R. No. 121

The purpose of this concurrent resolution is to express support for the negotiated settlement between the officials of the City of Providence, Rhode Island and representatives from the Office of Hawaiian Affairs (OHA) and Hui Malama i Na Kupuna o Hawai'i Nei (Hui Malama) which will result in the return of the ki'i la'au to Hawai'i and the Hawaiian people.

The Board of Land and Natural Resources testified in support of this measure. OHA testified with limited support and offered several amendments to the language of this concurrent resolution. The People of the Hawai'i(an) Society opposed this measure.

Your Committees find that in 1990, the United States Congress enacted the Native American Graves Protection and Repatriation Act (NAGPRA) to remedy civil rights violations of more than a hundred years of unjust treatment of Native American, Alaskan, Native, and native Hawaiian ancestral remains and burial items, and the improper taking of sacred and patrimonial objects. This Act established a system of good faith reporting and a claims process for the return and repatriation of Hawaiian na iwi (bones) and na mea kapu (sacred objects).

Your Committees further find that the City of Providence has in its possession a ki'i la'au (wooden image) which holds, according to Hawaiian cultural belief, a part of the Hawaiian soul and culture. This ki'i la'au is needed for continuing practices of Hawaiian religious belief and ritual related to the protection and mutual relationship between the native Hawaiian people and na aumakua (ancestral gods).

Under the auspices of NAGPRA, OHA and Hui Malama have claimed this ki'i la'au as a mea kapu (sacred object) which was improperly taken from the Hawaiian people. The City of Providence declined to honor this claim and brought suit against the United States Department of the Interior, OHA, and Hui Malama challenging the validity of the claim and recommended repatriation.

The federal magistrate in Providence, Rhode Island, conducted a mandatory mediation as a means to resolve this dispute. This resulted in active settlement negotiations which will soon be filed with the U.S. District Court, and should result in the return of the ki'i la'au to Hawai'i and the Hawaiian people.

In view of these developments, your Committees wish to express their appreciation to OHA and Hui Malama for their diligence and determination to assert, protect, and practice cultural respect for na aumakua and the return of the sacred ki'i la'au.

Upon further consideration, your Committees have amended this concurrent resolution by:

- (1) Incorporating language changes offered by OHA; and

(2) Making technical, nonsubstantive changes.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Judiciary that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 121, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 121, S.D. 1, H.D. 1.

Signed by all members of the Committees except Representatives Tom, Cachola, Herkes, Menor, Yoshinaga and Pendleton.

SCRep. 1484-98 Judiciary on S.C.R. No. 132

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study the issue of penal responsibility in instances where a person's lack of substantial capacity is triggered by the voluntary ingestion of intoxicating liquor or a controlled substance.

The Department of the Prosecuting Attorney of the City and County of Honolulu submitted testimony in support of this measure.

Your Committee believes that this study is needed to examine the issue of criminal culpability when a person becomes incapacitated due to the voluntary ingestion of intoxicating liquor or controlled substances.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 132, S.D. 1, and recommends its adoption.

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

SCRep. 1485-98 Judiciary and Public Safety and Military Affairs on S.C.R. No. 200

The purpose of this concurrent resolution is to request the Hawaii Paroling Authority and the Department of Public Safety to promptly review material relevant to "lap dancing" cases and exercise appropriate remedial options.

The Afro American Lawyers Association of Hawaii and two members of the public testified in support of the measure.

Your Committees find that lap dancing as a form of adult entertainment is not legally defined and questions have been raised as to whether lap dancing constitutes prostitution under section 712-1200. Your Committees further find that some concerns have been raised as a result of the 1995 conviction of Carl Richie, the proprietor of a Kauai establishment at which "lap dancing" was performed.

Your Committees believe that this concurrent resolution is necessary to address this public concern.

Your Committees have amended this measure by:

- (1) Clarifying that should Mr. Carl Richie be paroled, that all remedial options available to the Hawaii Paroling Authority be considered to ensure the preservation of justice; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Judiciary and Public Safety and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 200, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 200, S.D. 1, H.D. 1.

Signed by all members of the Committees except Representatives Tom, Cachola, Herkes, Menor, Yoshinaga and Pendleton.

SCRep. 1486-98 Finance on S.C.R. No. 9

The purpose of this concurrent resolution is to support efforts to establish a professional sports franchise in Hawaii, and to direct the Department of Business, Economic Development, and Tourism to offer assistance and conduct a sports activities and infrastructure study.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 9, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1487-98 Finance on S.C.R. No. 12

The purpose of this concurrent resolution is to request an audit of the preventive maintenance programs of the Highways Division of the Department of Transportation by the Office of the Legislative Auditor to determine the exact amount of federal and state funds which are earmarked and used for preventive maintenance programs for the State's highways, and to determine the effectiveness of its on-going maintenance programs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 12, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1488-98 Finance on S.C.R. No. 19

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 foods that are medically necessary for the treatment of inherited metabolic diseases, not as an option, for at least eighty per cent of the cost of care for the subscriber or any dependent of the subscriber who is covered by the policy.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 19, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1489-98 Finance on S.C.R. No. 25

The purpose of this concurrent resolution is to request the Auditor to analyze the probable effects of proposed regulation of professional mental health counselors and professional rehabilitation counselors and assess whether its enactment is consistent with State policy.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 25, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1490-98 Finance on S.C.R. No. 28

The purpose of this concurrent resolution, among other things, 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.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 28, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1491-98 Finance on S.C.R. No. 31

The purpose of this concurrent resolution is to request the Department of Health to develop a rural health plan ensuring the improvement of health facilities on the Island of Hawaii, and making available medical services to include the residents of Puna and Ka'u.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 31, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1492-98 Finance on S.C.R. No. 48

The purpose of this concurrent resolution is to request the Auditor to conduct a sunrise review of the proposed mandatory coverage of early intervention services as provided for in S.B. No. 2948 (1998).

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 48, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1493-98 Finance on S.C.R. No. 59

The purpose of this concurrent resolution is to request that the Department of Health, in consultation and cooperation with the various counties and the State's scrap metal industry, to determine the amount of scrap metal currently being disposed of in Hawai'i landfills and assess the impact of banning scrap metal from landfills, in the same manner that rubber tires are now banned on O'ahu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 59, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1494-98 Finance on S.C.R. No. 64

The purpose of this concurrent resolution is to request the Auditor to analyze the probable effects of proposed regulation contained in H.B. No. 3123 (1998) of Professional Certified Midwives and alternative forms of regulation.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 64, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1495-98 Finance on S.C.R. No. 80

The purpose of this concurrent resolution is to protect the health, safety, welfare, and economic capabilities of victims of sexual assault by requesting the Department of Human Services to engage in discussions with the Women's Coalition and sexual assault service providers to extend its Family Violence Option to include all victims of sexual assault.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 80 and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1496-98 Finance on S.C.R. No. 81

The purpose of this concurrent resolution, among other things, is to require the Departments of Transportation, Accounting and General Services, and Land and Natural Resources, to include in their contracts with private contractors, a proviso, which would state that green waste generated at job sites shall be hauled to the nearest composting center or other recycling facility, where available or economically practical.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 81, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1497-98 Finance on S.C.R. No. 123

The purpose of this concurrent resolution is to transfer lands from the City and County of Honolulu Board of Water Supply to the Department of Hawaiian Home Lands to promote construction in the area of Kalawahine, Oahu. More specifically, this concurrent resolution authorizes the withdrawal of 4.5 acres from Governor's Executive Order No. 1529 and the subsequent transfer of the land to the Department of Hawaiian Home Lands so that the Department may construct additional housing units for native Hawaiians.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 123, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1498-98 Finance on S.C.R. No. 128

The purpose of this concurrent resolution is to request the Board of Land and Natural Resources to convene a Thrill Craft Advisory Committee to review safety issues of privately-owned thrill craft and the feasibility of registration and certification of the operators.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 128, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1499-98 Finance on S.C.R. No. 146

The purpose of this concurrent resolution is to request the Auditor to conduct a management, financial, and program audit focusing on decision-making processes of the Child Welfare System of the Department of Human Services, Child Protective Services.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 146, S.D. 2, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1500-98 Finance on S.C.R. No. 147

The purpose of this concurrent resolution is to request the Department of Taxation to amend its rules by repealing the exemption from withholding for nonresident employees and requiring all employees' wages to be subject to withholding regardless of residency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 147 and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1501-98 Finance on S.C.R. No. 161

The purpose of this concurrent resolution is to request the United States Congress to enact legislation reauthorizing the federal highway program by May 1, 1998.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 161 and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1502-98 Finance on S.C.R. No. 172

The purpose of this concurrent resolution is to request the Office of the Governor to proceed with discussions which may lead to a letter of agreement with the National Performance Review committing both the state and federal governments to explore reducing barriers to reinventing government by shifting to performance management and performance partnerships to achieve public goals.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 172, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1503-98 Finance on S.C.R. No. 184

The purpose of this concurrent resolution is to encourage the Department of Commerce and Consumer Affairs to develop a statewide organization to promote the sharing of community media resources to achieve the greatest possible benefit for all citizens.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 184 and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1504-98 Finance on S.C.R. No. 191

The purpose of the concurrent resolution is to urge the State of Hawaii and the City and County of Honolulu to form a Joint Waikiki Task Force to discuss and coordinate the myriad of issues facing the Waikiki area, and the Planning Department of the City and County of Honolulu, the Convention Center Authority, and the Office of Planning of the Department of Business, Economic Development and Tourism support the work of the Task Force.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 191, S.D. 2, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1505-98 Finance on S.C.R. No. 196

The purpose of this concurrent resolution is to streamline services for persons with developmental disabilities by requesting the Departments of Human Services and Health to examine ways to eliminate duplication of the administration and provision of home- and community-based programs and services by those departments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 196, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1506-98 Finance on S.C.R. No. 207

The purpose of this concurrent resolution is to request the Department of Health to study the extent and severity of Hepatitis C within selected populations in the State.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 207, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1507-98 Finance on S.C.R. No. 190

The purpose of this concurrent resolution is to urge the City and County of Honolulu to grant authorization to allow a display of attractive banners to welcome groups to the State of Hawaii, the City and County of Honolulu and the Hawaii Convention Center and to request the Convention Center Authority to establish a five-member Banner Welcome Program Advisory Board.

Upon further consideration, your Committee has amended this concurrent resolution by including the Executive Director of the Outdoor Circle as an additional member of the Banner Welcome Program Advisory Board.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 190, S.D. 1, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 190, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Hamakawa, Kahikina, Kanoho, White, Marumoto and Meyer.

SCRep. 1508-98 Economic Development and Business Concerns on S.C.R. No. 71

The purpose of this concurrent resolution is to urge the United States Department of Defense to designate Pearl Harbor as the homeport of an aircraft carrier, and to proceed with all actions necessary to move the aircraft carrier, including its air wing, assigned personnel, and their dependents to their new homeport.

Your Committee finds that the addition of a Navy carrier at Pearl Harbor would provide immediate stimulus to the local economy by contributing thousands of new jobs and millions of dollars of revenues. It also would secure Hawaii's position as an important element of the Navy's ability to maintain its readiness and project its forces into the Pacific Ocean in a timely and effective manner.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 71, S.D. 1, H.D. 1, and recommends its adoption.

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

SCRep. 1509-98 Energy and Environmental Protection and Water and Land Use on S.C.R. No. 140

The purpose of this concurrent resolution is to support efforts to reduce the long-term costs of dredging the Ala Wai Canal and to improve its water quality by:

- (1) Endorsing the efforts of the Ala Wai Canal Watershed Improvement Project (Project);
- (2) Supporting the community involvement as demonstrated through the community stakeholder stewardship of the watershed; and
- (3) Requesting the Governor to recommend that the capital improvement projects identified in the Ala Wai Canal Watershed, Water Quality Improvement Project, Management and Implementation Plan serve as a resource for agency actions and reviews under the Hawaii State Planning Act and the environmental impact statement laws.

The Department of Land and Natural Resources, the Office of Hawaiian Affairs, and the Department of Health testified in support of this measure. The Project's coordinator offered comments.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 140, S.D. 1, and recommend its adoption.

Signed by all members of the Committees except Representatives Garcia, Morihara, Takamine, Tarnas and Meyer.

SCRep. 1510-98 Energy and Environmental Protection and Water and Land Use on S.C.R. No. 153

This concurrent resolution requests the Legislative Reference Bureau (LRB) to:

- (1) Evaluate governmental regulatory procedures pertaining to proposed land use projects in the Waikiki area; and

- (2) Recommend elimination of duplicative procedures as well as ways in which the regulatory process may be streamlined.

The American Society of Landscape Architects, the Waikiki Area Action Association, and a private citizen submitted testimony in support of this concurrent resolution, praising the goal of eliminating regulations that are duplicative and which add to the cost of doing business in Waikiki, and requesting that the study be designed to retain the same level of environmental review that currently exists under State law.

The Consulting Engineers Council of Hawaii testified that the Department of Land Utilization (DLU) of the City and County of Honolulu (City), rather than the LRB should be the lead agency in the study because the City recently conducted intensive hearings and research on special zoning for the Waikiki District.

The DLU testified in favor of the purpose of streamlining the regulatory process, but requested that the concurrent resolution be deferred to allow the DLU to retool County regulations while incorporating the State statutory environmental impact statement procedure process within the County regulatory framework.

Although there was testimony that the DLU should be the lead agency in the study, your Committees recognize that the DLU is answerable, in the first instance, to the City, which understandably has its own priorities and responsibilities. Your Committees believe that streamlining regulations pertaining to the Waikiki area is an important goal, and that the study requested by this concurrent resolution should be conducted expeditiously. Accordingly, your Committees have amended the concurrent resolution to request that the LRB conduct the study in consultation with the DLU.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 153, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 153, S.D. 1, H.D. 1.

Signed by all members of the Committees except Representatives Garcia, Morihara, Takamine, Tarnas and Meyer.

SCRep. 1511-98 Transportation on S.C.R. No. 72

The purpose of this Senate concurrent resolution, as received by your Committee, is to expedite traffic flow from leeward Oahu to downtown Honolulu.

Your Committee finds that serious traffic congestion occurs on the route between leeward Oahu and downtown Honolulu during peak morning hours on weekdays when motorists are driving to work. Your Committee also finds that a "Zipper Lane", utilizing movable concrete barriers to expedite traffic flow on this route, is scheduled to begin operation in the fall of 1998. Your Committee further finds that the Department of Transportation (DOT) intends to reserve the "Zipper Lane" for buses, emergency vehicles and vehicles carrying three or more occupants, but questions whether more vehicles should be permitted to use this special arrangement for reducing vehicular congestion.

This Senate concurrent resolution urges the DOT to increase the benefits of the "Zipper Lane" by allowing vanpool vehicles, commercial vehicles, and vehicles carrying two or more occupants to use the "Zipper Lane" when it becomes operational. The DOT is further requested to determine the feasibility of extending the "Zipper Lane" concept to expedite the traffic flow in the opposite direction, from downtown Honolulu to Leeward Oahu.

Testimonies in support of this Senate concurrent resolution were received from the Transportation Committee for Waipahu Neighborhood Board #22, Carr's Insurance Agency, the Hawaii Transportation Association, Street Bikers United-Hawaii, and a member of the Waipahu Neighborhood Board. Testimonies in opposition to this measure were received from the Department of Transportation, the Leeward Oahu Transportation Management Association, the Mililani Mauka/Launani Valley Neighborhood Board, and the Mililani/Waipio/Melemanu Neighborhood Board No. 25. Testifiers opposing the passage of this Senate concurrent resolution preferred that no changes be made in vehicle occupancy until the results of the three-occupant per vehicle plan were evaluated.

Your Committee has amended this Senate concurrent resolution as follows;

- (1) Amending the title to reflect the addition of motorcycles as users of the "Zipper Lane,"
- (2) Amending the BE IT RESOLVED paragraph to reflect the addition of motorcycles as users of the "Zipper Lane" and clarifying the Committee's intention of treating commercial and noncommercial vehicles consistently regarding the two-occupant limitation; and
- (3) Making technical, nonsubstantive amendments for purposes of style, clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 72, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce, in the form attached hereto as, S.C.R. No.72, S.D. 1, H.D. 1.

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

SCRep. 1512-98 Consumer Protection and Commerce on S.C.R. No. 87

The purpose of this concurrent resolution is to request the Public Utilities Commission (PUC), in consultation with State and County government, the public utilities, and environmental and community groups, to study the issue of overheading versus undergrounding utility lines.

Supportive testimony was received by the Department of Transportation, Na Lei Pohai, the Palolo Neighborhood Board No. 6, and several individuals. The PUC, the Department of Commerce and Consumer Affairs, and GTE Hawaiian Tel testified in support of the measure's intent, but expressed concerns. The Hawaiian Electric Company submitted opposing testimony and the Life of the Land submitted comments on the measure.

The issue of underground versus overhead placement of utility lines raises serious questions related to, among other issues, health and safety, utility costs, and the environment. A comprehensive study of these and other issues needs to be undertaken for consideration by the Legislature before thoughtful, informed decisionmaking can proceed on future legislative proposals.

However, testimony indicated that the PUC lacks the time and resources required to undertake a study of this breadth and detail. Accordingly, your Committee has amended the concurrent resolution to request that the Legislative Reference Bureau, rather than the PUC, conduct the study, and has incorporated other amendments proposed in the testimony. More specifically, your Committee has amended this concurrent resolution by:

- (1) Replacing the language on page 4, line 41 through page 5, line 16 of the concurrent resolution with the following language:
 - "(1) Impacts, rationales, State interests, and equities involved with requiring tax payers, as opposed to system rate payers, to pay the legitimate cost differential, if any, or a portion thereof; and
 - (2) Practicality and fairness of undergrounding 46kV and greater electric transmission and distribution lines only on islands whose populations exceed five thousand";
- (2) Requiring that the Legislative Reference Bureau, rather than the PUC:
 - (a) Reevaluate, analyze, and study the issue of overheading versus undergrounding utility lines on islands whose populations exceed 500,000, including but not limited to the issue of undergrounding existing overhead high voltage electrical transmission and distribution lines, and offer alternative approaches to this policy issue;
 - (b) Examine other states' requirements and programs for installing new underground facilities or converting existing overhead utility facilities;
 - (c) Determine the feasibility of establishing a coordinated government planning group;
 - (d) Study whether utility company rates of return should be adjusted to mitigate or cover the cost of undergrounding existing and new power lines, and to prevent windfall returns as a result of undergrounding utility lines; and
 - (e) Evaluate whether the likelihood of major destructive storms should be a factor in determining whether to place utility lines underground or above ground;
- (3) Requiring the Legislative Reference Bureau, in conducting its study, to consult with business organizations;
- (4) Extending the deadline for the submission of the Legislative Reference Bureau's report to twenty days before the convening of the Regular Session of 2000; and
- (5) Making technical amendments for purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 87, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as S.C.R. No. 87, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Herkes, Saiki, Tom, Yoshinaga and Pendleton.

SCRep. 1513-98 Consumer Protection and Commerce on S.C.R. No. 171

The purpose of this concurrent resolution is to request the Governor to convene a foreign deposit account committee to develop a marketing and promotion plan to attract foreign depositors to deposit funds in Hawaii-based financial institutions.

Your Committee finds that Hawaii's geographic location and popularity among Japanese visitors provides a strategic advantage in marketing Hawaii-based financial institutions as sound and opportunistic financial repositories. By enticing the Japanese to deposit funds into Hawaii's financial institutions, Hawaii can capitalize on the recent deregulation of the Japanese financial system and benefit from the revenue generated from the estimated \$10 trillion in personal savings of Japanese individuals and other funds currently deposited with Japanese banks.

Your Committee finds that this concurrent resolution will stimulate Hawaii's financial community by attracting foreign capital, beginning with the Japanese and then to other markets, and generate a growth in Hawaii's financial base that will help to stabilize the economy of the State.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 171, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Saiki, Tom, Yoshinaga and Pendleton.

SCRep. 1514-98 Education on S.C.R. No. 68

The purpose of this concurrent resolution is to request the Board of Education and the Department of Education to review and revise Hawaii's education goals for the year 2000 and establish an action-based plan to achieve those goals.

An individual submitted testimony in support of the measure. The Department of Education testified in support of the intent of the measure.

Your Committee finds that the Hawaii Goals for Education were agreed upon by the participants of the Hawaii Education Summit II in 1990. Now, nearly eight years later, the public education system does not appear to have moved toward those goals. One reason may be that there is no action plan to ensure that those goals are achieved. Without a step-by-step plan for reaching those goals, they will continue to be merely goals, and not achievements.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 68 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1515-98 Education on S.C.R. No. 20

The purpose of this concurrent resolution is to request the State Auditor to conduct a management and financial audit of the School-to-Work Opportunities System.

Testimony in support of the measure was submitted by the Hawaiian Electric Company and an individual. While supporting the intent of the measure, the Department of Education (DOE) and the School-to-Work Executive Council expressed concerns about two assertions made in it.

Your Committee is sympathetic with the concerns expressed, and has amended the measure by:

- (1) Asserting that the implementation of the safety inspection requirement has not proceeded as quickly as desired, rather than asserting that it has been delayed; and
- (2) Acknowledging that DOE and the University of Hawaii are developing internal management policy documents for the administration of School-to-Work, and that rules are expected to be adopted by the end of 1998.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 20, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Labor and Public Employment in the form attached hereto as S.C.R. No. 20, S.D. 1, H.D. 1.

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

SCRep. 1516-98 Higher Education on S.C.R. No. 47

The purpose of this concurrent resolution is to request the University of Hawaii School of Public Health and the Hawaii Center for Integral Healing to study the feasibility of using complementary and alternative medical care in the State's health care system.

Your Committee received testimony in support of this measure from the School of Public Health of the University of Hawaii.

Your Committee finds that Hawaii is uniquely positioned to make major contributions to the health of its people, as well as the health of people throughout the world, by examining the potential of some of the world's oldest health care practices. Such research could help enhance the effectiveness of current health interventions.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 47 and recommends its adoption.

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

SCRep. 1517-98 Education on S.C.R. No. 157

The purpose of this concurrent resolution is to convene a Joint State and County Task Force to develop a master plan for improvements to Manoa Recreational Park and Manoa Elementary School.

The Department of Education (DOE) testified that since Manoa Elementary School is heavily used by park users, improvements made to both the park and the school would address many concerns shared by both public facilities such as inadequate bathroom facilities in the park, inadequate parking, poor night lights, and lack of security. DOE further testified that it would continue to work with Manoa District Park personnel to meet the needs of the community and the public.

Supportive testimony was also received from the President of the Manoa Youth Baseball League, the Manoa Boys Basketball League and the Manoa Girls' Athletic Club.

Your Committee finds that Manoa Recreational Park and Manoa Elementary School are heavily used by members of the community and those outside the community, and that users of both facilities would benefit immensely from improvements.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 157, S.D. 1, and recommends its adoption.

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

SCRep. 1518-98 Finance on S.B. No. 2775

The purpose of this bill is to improve the operations of the King Kamehameha Celebration Commission by reducing its membership from eighteen to thirteen.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2775, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Chang, Kahikina, Kanoho, Nakasone, White, Fox and Ward.

SCRep. 1519-98 Finance on H.R. No. 59

The purpose of this resolution is to request the Governor and the Department of Human Services to allocate resources for a communication skills instructor in the Vocational Rehabilitation and Services for the Blind Division.

Upon consideration, your Committee has deleted the contents of this resolution and replaced it with a provision requesting the Department of Business, Economic Development, and Tourism (DBEDT) to work out arrangements to host the next National Quarterback Awards Dinner in Hawaii during the Pro Bowl Week. DBEDT is requested to coordinate its efforts with the Hawaii Visitors and Convention Bureau, the National Quarterback Club, the NFL Pro Bowl Committee, the Hawaii High School Athletic Association, the Department of Education, the University of Hawaii athletic staff and booster clubs, the Hawaii Winter League Baseball Association, and the Quarterback Club of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 59, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 59, H.D. 2.

Signed by all members of the Committee except Representatives Ahu Isa, Chang, Kahikina, Kanoho, Nakasone, White, Fox and Ward.

SCRep. 1520-98 Finance on S.B. No. 2065

The purpose of this bill is to reduce pyramiding of the general excise tax (GET) by reinstating the original package doctrine. Specifically, this bill will exempt from GET tangible personal property imported into Hawaii for resale at wholesale.

The Department of Taxation and the Hawaii Food Industry Association testified in favor of the measure. The Tax Foundation of Hawaii commented on the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2065, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1521-98 Finance on S.B. No. 3075

The purpose of this bill is to exempt from the general excise tax amounts received by a management company as reimbursements of payroll costs incurred in managing or operating related entities selling telecommunications services.

Sprint and ALTRES, Inc. supported this bill. The Department of Taxation, the Tax Foundation of Hawaii, and an attorney commented on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3075, S.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.