

## STANDING COMMITTEE REPORTS

**SCRep. 1 Finance on H.B. No. 85**

The purpose of this bill is to authorize funds for the expenses of the Legislature up to and including June 30, 2000, and to provide funds for the expenses of the legislative support agencies during the 1999-2000 fiscal year.

Your Committee has amended the bill by:

- (1) Providing the appropriation amounts for the Legislature and the legislative support agencies; and
- (2) Appropriating \$175,000 for the legislative broadcast program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 85, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 85, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Takamine.

**SCRep. 2 Transportation on H.B. No. 1**

The purpose of this bill, as received by your Committee, is to increase the safety of children riding as passengers in motor vehicles.

Your Committee finds that Hawaii's current child restraint law permits children between the ages of three and four to be restrained by seat belts or by child passenger restraint systems (car seats). Your Committee further finds that the use of seat belts is an unsafe practice for many children between the ages of three and four because of their size and physical development. Your Committee further finds that Hawaii's statute does not conform to National Highway Traffic Safety Administration standards which recommend that all children under the age of four ride restrained in car seats.

The proposed bill requires the use of child passenger restraint systems for all children below the age of four.

Testimonies in support of this bill were received from the Department of Transportation, the Department of Health, the City and County of Honolulu, the Hawaii's Nurses Association, Mothers Against Drunk Driving, the Hawaii Insurers Council, and the Keiki Injury Prevention Coalition.

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

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

**SCRep. 3 Transportation on H.B. No. 5**

The purpose of this bill, as received by your Committee, is to restrict the licensing of motorists and the registration or transfer of motor vehicles by persons with outstanding traffic bench warrants.

Your Committee finds that drivers with outstanding bench warrants can continue to renew their driver's licenses and register or transfer their vehicles, pending disposition of their cases which may take months because of backlogs of pending cases. Your Committee further finds that drivers who fail to appear in penal traffic cases must be physically arrested and prosecuted in court, both of which are expensive processes.

This bill proposes to prevent persons with outstanding traffic bench warrants from obtaining or renewing their driver's licenses, and from registering or transferring their motor vehicles at the time a bench warrant is issued, thus increasing compliance with the traffic code and reducing costs of coercing compliance.

Testimonies in support of this bill were received from the Police Department, City and County of Honolulu, and from a citizen interested in reducing the backlog of traffic bench warrants.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 5 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 4 Transportation on H.B. No. 7**

The purpose of this bill, as referred to your Committee, is to increase the limits on lengths of truck-trailers and semitrailers operated or moved upon any public road, street, or highway.

Your Committee finds longer freight moving equipment will permit commercial trucking companies to provide additional space for cargo, reduce the numbers of trips to service customers, and reduce costs of fuel and equipment inventories. Your Committee further finds that modest increases in the lengths of these vehicles will not endanger highway safety.

This bill proposes to increase the overall length of truck-trailers from 60 to 65 feet, and the length of semitrailers from 45 to 48 feet.

Testimonies in support of this measure were received from the Department of Transportation and from the Hawaii Transportation Association.

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

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 5            Transportation on H.B. No. 10**

The purpose of this bill, as received by your Committee, is to make requirements for remedial safety training in the driver improvement program consistent with federal safety regulations.

Your Committee finds that the present statute does not limit the gross vehicle weight rating for which employers must provide, and drivers must attend, driver training programs. Your Committee further finds that compulsory training should be required, but should be limited to large vehicles which require more training and dexterity to operate safely.

This bill proposes to require a mandatory driver improvement program only for owners who possess, and drivers who operate, motor vehicles with a gross vehicle weight rating in excess of 10,000 pounds.

Testimonies in support of this measure were received from the Department of Transportation and from the Hawaii Transportation Association.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 10 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 6            Transportation on H.B. No. 16**

The purpose of this bill, as received by your Committee, is to clarify the statutory intent of the traffic offense of inattention to driving.

Your Committee finds that a conviction for the offense of inattention to driving does not require proof of negligence. Your Committee further finds that the supreme court interpreted the statute as requiring proof of negligence.

This bill proposes to clarify the intent of this statute by requiring proof of negligence for conviction of an offense of inattention to driving.

Testimony in support of this bill was received from a private citizen.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 16 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 7            Transportation on H.B. No. 18**

The purpose of this bill, as received by your Committee, is to provide an additional option for the safety of bicyclists and the convenience of motorists.

Your Committee finds that the two options, riding as near the right hand curb, as practicable, or on the shoulder of the roadway, may at times be hazardous for bicyclists. The area near the right hand curb may have an uneven surface and contain corrugated storm drain openings, causing damage to bicycles and injuries to riders, and the shoulders may be equally unsafe for bicyclists.

This bill proposes to permit bicyclists to have the options of riding near the right-hand curb, on the shoulder off of the roadway, or on the edge of the roadway, dependent on the conditions in particular situations.

Testimonies in support of this bill were received from the president and a director of the Hawaii Bicycling League, and from Peoples Advocacy for Trails Hawaii.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 18 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 8                    Transportation on H.B. No. 45**

The purpose of this bill, as received by your Committee, is to separate violations of driving without a license from driving with an expired license.

Your Committee finds that a driver apprehended for driving with an expired license is treated the same as for the violation of driving without a license. Your Committee further finds that driving with an expired license is less serious than never having been qualified to operate a motor vehicle.

This bill proposes to separate violations of driving without a license from driving with an expired license, and treat the violation of driving with an expired license as a lesser offense.

Testimony in support of this bill was received from a concerned citizen.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 45 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 9                    Transportation on H.B. No. 8**

The purpose of this bill is to prohibit the use of a social security number as an identification number on a driver's license.

Your Committee on Transportation finds that displaying one's social security number on a driver's license invades one's privacy and is a method by which criminals can gain access to a myriad of important and private information. Because a person's financial and economic interests are often attached to the social security number, it should not be displayed so visibly, as it is on a driver's license.

This bill proposes to stop the use of social security numbers as identification numbers on driver's licenses.

Your Committee has amended this bill by striking the second sentence of (b) on page 2 and by changing "as the license identification number" which is underscored in (b) on page 2 to "on the driver's license." Your Committee further amends this bill by replacing "upon its approval" which appears on page 2, section 3, with "on July 1, 2000."

Testimonies in support of this bill were heard from the Department of Transportation, the Office of Information Practices, and two concerned citizens. Although it did not object to the bill, the Judiciary expressed concerns about the impact this bill will have on the jury and traffic systems. The Department of Customer Services, City and County of Honolulu, gave testimony which suggested ways to amend the bill that would address the concerns of the Judiciary.

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

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 10                    Transportation on H.B. No. 11**

The purpose of this bill, as recorded by your Committee, is to increase the gross vehicle weight rating for a category 4 license.

Your Committee on Transportation finds that this amendment will be beneficial for small businesses. As commercial vehicles are now able to carry heavier loads with minimal increases in size, this amendment recognizes that people with category 4 licenses are able to operate heavier vehicles safely.

This bill proposes to change the minimal gross vehicle weight for a category 4 license from 11,001 pounds to 12,001 pounds.

Testimonies in support of this bill were heard from Legislative Information Services of Hawaii, Hawaii Transportation Association, and Ryder Transportation Services.

Your Committee has amended this bill by increasing the gross vehicle weight rating for a category 3 license from 11,000 pounds to 12,000 pounds.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 11, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 11, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 11      Transportation and Water and Land Use and Ocean Recreation and Marine Resources on H.B. No. 14**

The purpose of this bill, as referred to your Committees on Transportation, Water and Land Use, and Ocean Recreation and Marine Resources, is to prolong the existence of the Temporary Maritime Authority Commission and extend the deadline for its legislative report.

Your Committees on Transportation, Water and Land Use, and Ocean Recreation and Marine Resources find that the temporary commission needs more time in determining the roles, functions and geographic jurisdiction of the proposed Hawaii Maritime Authority. The Committees also find that there are some questions pertaining to the efficiency of the Authority that is to be created. Although many important issues and problems have not been resolved since the creation of the Temporary Hawaii Maritime Authority Commission, your Committees find that continuing to consider the establishment of the Hawaii Maritime Authority is still valuable to our state.

This bill proposes to delay the dissolution of the Temporary Hawaii Maritime Authority Commission until adjournment of the regular session of 2000 and extend the deadline of its final report to the Legislature until December 20, 1999.

Testimonies in support of the bill were heard from the Department of Transportation, the Department of Business, Economic Development and Tourism, the Hawaii Community Development Authority, The Chamber Commerce of Hawaii, and Matson Navigation Company.

As affirmed by the records of votes of the members of your Committees on Transportation and Water and Land Use and Ocean Recreation and Marine Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 14 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hamakawa, Yoshinaga and Fox.

**SCRep. 12      Economic Development and Business Concerns on H.B. No. 81**

The purpose of this bill is to develop and commercialize nanotechnology opportunities by appropriating funds to establish a nanotechnology center in the University Park at the University of Hawaii at Hilo.

Testimony in support of this bill was received from the University of Hawaii at Hilo and the County of Hawaii.

Your Committee recognizes the significant economic potential of supporting the development of a nanotechnology center in the State as the center would help to attract scientific investment and new technologies, and support the electronic, health care, and manufacturing industries.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 81 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

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

**SCRep. 13      Health on H.B. No. 292**

The purpose of this bill is to establish a healthy living special fund from tobacco litigation moneys, to be applied towards healthy living programs.

Hawaii Nurses' Association, Mothers Care, and the Healthy Mothers Healthy Babies Coalition of Hawaii submitted testimony in strong support of this measure. The Department of Health, Department of Human Services, Department of Budget and Finance, and the American Lung Association of Hawaii testified in support of the intent of this measure. The Coalition for a Tobacco Free Hawaii urged the dedication of settlement funds exclusively to programs and services for tobacco control and prevention.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 292 and recommends that it pass Second Reading and be referred to the Committee on Finance.



Signed by all members of the Committee.

**SCRep. 14      Health on H.B. No. 175**

The purpose of this bill is to provide statewide tobacco prevention services and other health-related initiatives by establishing the Tobacco Agreement Special Fund (Special Fund), to be funded by half of the amount paid to the State by the tobacco Master Settlement Agreement.

The Hawaii Medical Association submitted testimony in support of this measure. The Departments of Health, Human Services, and Budget and Finance, the Hawaii Nurses' Association, the American Lung Association, and the American Cancer Society submitted testimony in support of the intent of this measure. The Healthcare Association of Hawaii and the Coalition for a Tobacco-Free Hawaii submitted comments.

Your Committee finds that late last year, the Governor and the Attorney General accepted a Master Settlement Agreement with participating tobacco manufacturers to settle and resolve with finality all related claims against participating manufacturers. Under the Master Settlement Agreement, the State will receive approximately \$1.1 billion dollars over the next twenty-five years.

Your Committee believes that the moneys deposited into the Special Fund should be used almost exclusively to fund:

- (1) Programs and services for tobacco control and prevention; and
- (2) Other healthcare prevention and early intervention services and programs.

Your Committee believes that the Master Settlement Agreement was reached based on the cost to the health care system for tobacco-related illnesses. Thus, your Committee believes in designating a major share of the settlement for prevention and early intervention programs to offset future health care costs.

Your Committee finds that designating only fifty percent of the Master Settlement Agreement for tobacco prevention and other health-related initiatives is too limiting, and believes that the Special Fund should receive the entire amount for at least the first year. Therefore, your Committee has amended this measure by:

- (1) Establishing a new chapter in the Hawaii Revised Statutes establishing the Hawaii Tobacco Settlement Special Fund;
- (2) Authorizing the State to deposit the total amount received from the Master Settlement Agreement into the Hawaii Tobacco Settlement Special Fund;
- (3) Transferring up to fifty percent of the allocation to the Department of Human Services for healthcare for needy children;
- (4) Specifying that the remaining funds shall be used to:
  - (A) Reduce cigarette smoking and tobacco use among youth and adults through education and enforcement activities;
  - (B) Control and prevent chronic diseases where tobacco use is a risk factor;
  - (C) Promote healthy lifestyles through better nutrition and improved physical activity; and
  - (D) Assess the effectiveness of "health promotion and disease prevention" and "tobacco prevention and control" programs;
- (5) Establishing an advisory board to develop a strategic plan to effectuate the Hawaii Tobacco Special Fund; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 175, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 175, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 15      Health on H.B. No. 176**

The purpose of this bill is to ensure the proper payment of tobacco taxes by wholesalers and dealers by using stamps as a means of proving that the tobacco tax has been paid on cigarettes.

The Legislative Information Services of Hawaii and the American Lung Association submitted testimony in support of this measure. The Departments of Health and Taxation submitted testimony in support of the intent of this measure. The Tax Foundation of Hawaii and the Department of the Prosecuting Attorney of the City and County of Honolulu submitted comments.

Your Committee believes that a cigarette stamping program would stem the tide of cigarette tax evasion and consequently decrease the consumption of cigarettes.

Your Committee finds, however, that reference to the forfeiture and disposition of untaxed cigarettes pursuant to Chapters 712A and 281, Hawaii Revised Statutes (HRS), creates possible conflicts with the requirements of Chapter 712A, HRS, and as a result, causes confusion. Thus, your Committee has amended this measure by deleting all references to Chapter 712A, HRS. This measure has also been amended by 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 is in accord with the intent and purpose of H.B. No. 176, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 176, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 16            Transportation on H.B. No. 286**

The purpose of this bill, as received by your Committee, is to increase safety in school zones and construction areas.

Your Committee finds that speeding motor vehicles endanger persons in school zones and in construction areas on or adjacent to streets and highways, even though such zones and areas may be clearly identified. Your Committee further finds that the present penalties do not deter speeding, resulting in the endangerment of pedestrians and construction workers.

This bill proposes that the director of transportation place official signs within school zones and construction areas, establishing the maximum speed limits. Violators of the posted speed limits shall be subject to fines triple the amounts specified in Section 291C-161, Hawaii Revised Statutes, which are: Not more than \$200 for a first conviction; Not more than \$300 for conviction of a second offense committed within one year after the date of the first offense; and Not more than \$500 for conviction of a third or subsequent offense, committed within one year after the date of the first offense, resulting in fines of Not more than \$600, \$900, and \$1,500, respectively.

Testimonies in support of this bill were received from the Department of Transportation, the Department of Education, and the Police Department, City and County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 286 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 17            Transportation on H.B. No. 167**

The purpose of this bill, as received by your Committee, is to establish a graduated driver licensing procedure for persons under eighteen years of age.

Your Committee finds that an applicant for a driver's license, fifteen through seventeen years of age, may qualify for a driver's license after holding an instruction permit for a period of ninety days. Your Committee further finds that lack of experience, supervision, and mature judgment on the part of youthful drivers account for many highway accidents.

This bill proposes to establish a graduated licensing procedure that will improve the driving practices of drivers, fifteen through seventeen years of age, by controlling their progression toward a full licensing privilege. It will do this through education, both on and off the highway; by always having a supervising licensed adult in the vehicle; by restricting the time of day when they may drive; and by requiring passengers to wear seat belts.

Testimonies in support of this bill were heard from the Department of Transportation, the City and County of Honolulu, the Keiki Injury Prevention Coalition, the Hawaii Insurers Council, and an insurance company. The Department of Transportation and the City and County of Honolulu expressed a preference for the wording in a senate bill.

Your Committee has amended this bill by deleting its effective date.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 167, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 167, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 18            Economic Development and Business Concerns on H.B. No. 37**

The purpose of this bill is to fund and assist Hawaii's independent film industry by:

- (1) Establishing the State of Hawaii Revolving Film Fund within the Department of Business, Economic Development, and Tourism (DBEDT); and
- (2) Appropriating funds to DBEDT to assist Hawaii-based film companies in the production of documentary films relating to the Pacific region.

Your Committee received testimony in support of the measure from the Hawaii State AFL-CIO, the Screen Actors Guild, the Hawaii Film & Entertainment Board, and several interested individuals. DBEDT submitted testimony in support of the intent of the measure.

Your Committee recognizes the merits of Hawaii's independent film industry which provides jobs in the state through the use of local creative and technical personnel and support services. In addition, the local independent film industry is also a cultural asset sharing the state's unique and diverse culture and history with people worldwide.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 37 and recommends that it pass Second Reading and be referred to the Committee on Culture and the Arts.

Signed by all members of the Committee except Representative Chang.

**SCRep. 19 Economic Development and Business Concerns on H.B. No. 756**

The purpose of this bill is to establish the universal service fund as a special fund outside of the state treasury to implement the policies and goals of universal service. It also appropriates moneys out of the universal service fund to carry out the purposes of the universal service program. And it provides that any unexpended or unencumbered balance of the appropriation will lapse into the universal service fund.

AT&T, the Department of Commerce and Consumer Affairs, GTE, GST Telecom Hawaii, and the Public Utilities Commission testified in support of this bill.

There was no testimony in opposition.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 756 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 20 Economic Development and Business Concerns on H.B. No. 122**

The purpose of this bill is to require the Comptroller to adopt administrative rules to implement the law relating to the prompt payment of subcontractors.

The Hawaii Operating Engineers Industry Stabilization Fund, the Subcontractors Association of Hawaii, and Les' Carpet & Drapery Installation, Inc., submitted testimony in support of the bill. The Department of Accounting and General Services, the American Institute of Architects Hawaii State Council, and the General Contractors Association of Hawaii submitted testimony in opposition to the bill.

Your Committee recognizes that the intent of this bill is to enforce the prompt payment of contracts. This will be served by providing appropriate incentives and penalties for failing to comply with this requirement.

Your Committee has amended this bill by:

- (1) Specifying that the Comptroller adopt administrative rules including a system of graduated penalties for violations;
- (2) Clarifying that each nonpayment to a subcontractor by a contractor constitutes a separate violation;
- (3) Having the effective date apply to all contracts executed after July 1, 1999; 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 Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 122, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 21 Human Services and Housing on H.B. No. 278**

The purpose of this bill is to give delinquent youths committed to a correctional facility an opportunity to better their lives by providing treatment and correctional services.

The Office of Youth Services submitted testimony in support of the intent of this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu submitted testimony in opposition to this measure.

Your Committee is concerned with the increasing number of youths being committed to correctional facilities without the proper funding for appropriate treatment. Your Committee continues to support programs that are an alternative to incarceration.

However, it is understood that the court, in fashioning an appropriate sentence, has included both rehabilitation and just punishment. It is not the intent of this Committee to circumvent the sentence ordered by the court, and therefore, respectfully requests the Committee on Public Safety and Military Affairs to review this matter.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 278 and recommends that it pass Second Reading and be referred to the Committee on Public Safety and Military Affairs.

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

**SCRep. 22 Human Services and Housing on H.B. No. 463**

The purpose of this bill is to build upon current law, which prohibits genetic information discrimination in health insurance coverage, by prohibiting long-term care insurers from requiring genetic testing as a precondition for coverage and underwriting policy.

A concerned individual submitted testimony in support of this measure. The Department of Health, the Executive Office on Aging, and the Hawaii Medical Association submitted testimony in support of the intent of this measure. The American Council of Life Insurance submitted testimony in opposition to this measure. State Farm Insurance Companies submitted comments.

Your Committee finds that prohibiting long-term care insurers from requiring an applicant to undergo genetic testing or from using test results, unconfirmed as accurate by a board-certified geneticist, to underwrite a long-term care policy, would protect individuals and allow long-term care insurers to underwrite policies based on accurate genetic information.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 463 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 23 Human Services and Housing on H.B. No. 589**

The purpose of this bill is to provide a coordinated approach to the issue of domestic abuse by appropriating funds to the Family Court to establish a dedicated domestic violence court and related domestic violence services.

The Judiciary, Child and Family Services, Hawaii State Coalition Against Domestic Violence, the Domestic Violence Clearinghouse and Legal Hotline, and Catholic Charities of the Diocese of Honolulu submitted testimony in support of this measure. The Department of Health submitted testimony in support of the intent of this measure.

Your Committee believes that the advantage of having a specialized domestic violence court focusing solely on domestic violence-related cases is having a well-trained staff with the expertise to deal with a myriad of domestic violence issues. Additionally, it would promote consistency in handling restraining and protective orders, convictions, and other domestic violence services.

As written, this measure does not convey the planning and operation of a model domestic violence court. As such, your Committee respectfully requests the Committee on Judiciary and Hawaiian Affairs to consider the development of an infrastructure for the domestic violence court to provide solutions and social programs.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 589 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 24 Human Services and Housing on H.B. No. 628**

The purpose of this bill is to afford fair and equitable solutions for families needing financial assistance by:

- (1) Authorizing the Department of Human Services (DHS) to keep roll over funds from General Assistance (GA) appropriations;
- (2) Placing disabled children under the State's financial assistance programs into the Supplemental Security Income program;
- (3) Increasing the standard of assistance for recipients of Temporary Assistance to Needy Families (TANF) to the current federal poverty level;
- (4) Increasing GA to \$418 per person per month;
- (5) Appropriating funds for the purchase of health and human services for:
  - (A) Medicare advocacy programs;
  - (B) Adoptive families; and
  - (C) Earned income tax credits; and
- (6) Requesting the Legislative Reference Bureau to conduct a study of the GA program.

The Legal Aid Society of Hawaii, the National Association of Social Workers, the American Friends Service Committee, Na Loio, and several concerned individuals submitted testimony in support of this measure. The Hawaii State Commission on the Status of Women submitted supportive testimony addressing only Part II of the bill. DHS submitted comments.

Your Committee believes that policies made in years past have adversely affected the welfare of public assistance recipients. In 1995, the State set a limit on the amount of money it would spend on GA, no matter how many people needed the program. In 1996, as a part of Hawaii's welfare reform, monthly TANF grants to 15,000 families were cut an additional twenty percent. As a result of these decisions and Hawaii's unhealthy economy, decreases in financial assistance made life unstable, causing unparalleled hardship and increased homelessness among Hawaii's most needy.

Your Committee believes that further discussion is needed to provide equitable solutions for recipients of financial assistance. To assist in this effort, your Committee will be drafting a resolution requesting a study to examine the effects of decreased funding to recipients of public assistance.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 628 and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

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

**SCRep. 25 Human Services and Housing on H.B. No. 1116**

The purpose of this bill is to assist foster children in their pursuit of higher education by changing the full-time attendance requirements for higher education foster board payments.

Specifically, this bill allows foster children and former foster children attending school part-time during the first academic year of higher education to be eligible for foster board allowances.

The Department of Human Services submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1116 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Santiago.

**SCRep. 26 Human Services and Housing on H.B. No. 1115**

The purpose of this bill is to lessen the trauma of foster placement by allowing foster homes to care for more than five children to accommodate sibling groups. This bill also changes criminal history checks for foster homes from annually to biennially.

The Department of Human Services (DHS) submitted testimony in support of this measure.

Your Committee finds that foster homes are currently certified to foster up to five children. However, some sibling groups have had to be separated in foster placement as a result of this limitation which has been very traumatic for affected children.

Your Committee has amended this measure by:

- (1) Clarifying that an annual name inquiry into the state criminal history record files shall be made in conjunction with the certification schedule; 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1115, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Santiago.

**SCRep. 27 Human Services and Housing on H.B. No. 1117**

The purpose of this bill is to bring Hawaii into compliance with the federal Adoption and Safe Families Act of 1997, which seeks to expedite permanency for children in foster care.

The Department of Human Services (DHS) submitted testimony in support of this measure.

Your Committee finds that this bill defines the term "abandoned infant" and adds abandonment of an infant and torture of a child to the list of aggravated circumstances where DHS is not required to make reasonable efforts to reunite a child with the child's family. This measure also expedites decision-making in child welfare cases, as required by federal law.

Your Committee has amended this measure by:

- (1) Clarifying that DHS will file a motion for a permanent plan hearing unless the child is being cared for by a relative and the court has determined that this is the most appropriate placement for the child; 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1117, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Santiago.

**SCRep. 28 Health on H.B. No. 203**

The purpose of this bill is to develop a neuroscience industry in the State by appropriating funds for research infrastructure and program development of brain impairment services and products with a commercial market value.

The University of Hawaii, the Hawaii State Commission on the Status of Women, the Hawaii Neuropsychology Community Research Bureau, and several individuals supported this bill. An individual offered comments.

Your Committee has amended this bill by substituting the sums appropriated with the sum of \$1 to promote further discussion during the legislative process.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 203, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 203, H.D. 1, and be referred to the Committee on Economic Development and Business Concerns.

Signed by all members of the Committee.

**SCRep. 29 Health on H.B. No. 287**

The purpose of this bill is to support adolescent health prevention programs in the State's secondary schools by appropriating funds for the Department of Health's Peer Education Program (PEP).

Established in 1988, PEP aids teens who are at risk or in crisis with problems relating to pregnancy, sexually transmitted diseases, substance abuse, violence, and suicide. By focusing on prevention, it seeks to reduce the cost of future intervention efforts.

This bill would provide funding for PEP in twenty-six schools. It would also expand PEP into ten new schools over the next fiscal biennium.

The Department of Health supported this measure, provided that the appropriations do not impact its budget priorities as indicated in the Executive Biennium Budget. The Department of Education supported the intent of this measure. Your Committee also received

testimony in support of this measure from a number of agencies, organizations, and individuals, including: the Hawaii State Teachers Association; the Molokai Family Support Center; the Mediation Center of Molokai; Na Puuwai (Native Hawaiian Health Care Systems); Hawaii Youth Services Network; Healthy Mothers, Healthy Babies; PEP coordinators in various schools; Kailua Intermediate School; Kauai High and Intermediate School; numerous intermediate school students who belong to PEP; and high school and college students.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 287 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee.

**SCRep. 30 Health on H.B. No. 319**

The purpose of this bill is to improve the provision of health services to Hawaii's public school students by establishing a pilot project that expands the workday of public school health aides from six and one-half to eight hours per day in twelve large secondary public schools.

The Hawaii Government Employees Association (HGEA), Hawaii Nurses' Association, and a number of presently employed or former school health aides testified in support of this measure.

The Department of Education submitted testimony in support of the intent of the bill, with the reservation that an increased workday might not address the problem of providing direct services to students while they are in school. The Department of Health opposed the bill, recommending instead that the number of permanent health aides be increased.

Your Committee believes that at a minimum, the increased work day under this pilot project will give school health aides more time to complete their work, and thus, the ability to more fully provide for students' health care needs during the regular school day.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 319 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee.

**SCRep. 31 Health on H.B. No. 294**

The purpose of this bill is to reduce tobacco use among Hawaii's children and youth by prohibiting the distribution of:

- (1) Sample tobacco products on or in any public street, sidewalk, or park, or within 1000 feet of any school attended by minors; and
- (2) Tobacco promotional materials within 1000 feet of any school attended by minors.

The Department of Health, the Hawaii Medical Association, the American Lung Association, the Coalition for a Tobacco-Free Hawaii, the Hawaii Nurses' Association, the Honolulu Police Department, and a member of the Kauai County Council submitted testimony in support of this measure. The Department of Education submitted testimony in support of the intent of this measure. Legislative Information Services of Hawaii submitted comments.

Your Committee finds that over 80 percent of adults who smoke started doing so prior to the age of eighteen, and believes that preventing the distribution of tobacco samples or promotional materials within a school zone is a significant step toward preventing tobacco companies from marketing their products in areas frequented by adolescents. To counteract marketing practices of tobacco companies, your Committee believes that the distribution of coupons redeemable for cigarettes or tobacco products should also be prohibited.

Your Committee is aware of the concern that first amendment rights may be violated if, for example, unintended advertisements for tobacco products appeared in newspapers of general circulation that were distributed within the 1,000-foot buffer zone around schools. It is not the intent of this Committee to prohibit the circulation of these types of publications within a school zone. Your Committee respectfully requests the Committee on Finance to consider inserting clarifying language regarding this first amendment rights issue.

Your Committee has amended this measure by:

- (1) Prohibiting the distribution of coupons redeemable for cigarettes or tobacco products within a buffer zone around schools attended by minors;
- (2) Clarifying that the term "distribute" means the exclusive promotion of a product; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 294, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 32 Health on H.B. No. 462**

The purpose of this bill is to require the Department of Health (DOH) to conduct a study of the health consequences associated with the use of latex products in the provision of health care.

The Hawaii Nurses' Association and an interested individual submitted testimony in support of the measure. DOH submitted comments on the measure.

Your Committee recognizes the debilitating health, and sometimes even fatal, consequences associated with the use of latex gloves. It is your Committee's belief that initiating a study on the health consequences of using latex gloves would help determine appropriate actions to address this health concern.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 462 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 33 Culture and the Arts on H.B. No. 316**

The purpose of this bill appropriates funds for art education in the public schools out of the works of art special fund, for department of education to determine feasibility of an integrated high school learning center for the pacific arts, and if necessary to develop a master plan.

The Department of Education and the State Foundation on Culture and the Arts submitted testimony supporting the intent of the bill.

The Department of Education agrees that the arts are an important component of a student's education. The Hawaii Content and Performance Standards includes fine art performance standards.

The State Foundation on Culture and the Arts has always been a strong advocate for the need of arts in our public schools. In collaboration with the Department of Education, the first statewide Artist in the Schools Program in the nation was created.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 316 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee except Representative Ito.

**SCRep. 34 Culture and the Arts on H.B. No. 154**

The purpose of this bill is to transfer the assets of the Hawaii Public Broadcasting Authority to the Hawaii Public Television Foundation, a private not-for-profit organization.

The Department of Commerce and Consumer Affairs testified in support of this bill.

Due to continuing and significant reductions in public funding, Hawaii Public Television devised a detailed five year strategic plan designed to move from a state agency to a not-for-profit community foundation. Your Committee supports this strategic plan.

HGEA-AFSCME submitted written testimony opposing this measure. Their primary concern was the fate of the employees who have invested a significant part of their lives with public television. Your Committee was satisfied with Hawaii Public Television's effort to work with HGEA-AFSCME and urged both parties to continue the dialogue.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 154 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

**SCRep. 35 Culture and the Arts on H.B. No. 634**



The purpose of this bill is to support the celebration of the centennial of the arrival of the Puerto Ricans to Hawaii by:

- (1) Establishing a temporary commission to arrange appropriate activities;
- (2) Establishing a trust fund as a fiscal mechanism to receive and expend funds; and
- (3) Appropriating an unspecified amount for the centennial celebration.

Testimony in support of the bill was received from the Puerto Rican Heritage Society of Hawaii, the Maui Puerto Rican Association, and the United Puerto Rican Association of Hawaii, Incorporated. Testimony indicated that celebration activities are already being planned, and that private contributions are being solicited. State funding will enhance celebration activities, but these activities will not be solely dependent upon state funding.

Your Committee finds that Hawaii is a multicultural society that is proud of its diverse ethnic heritage. In recent years the State has financially supported celebrations of various ethnic groups. Puerto Ricans have played a significant role in Hawaii's history, and various Puerto Rican organizations are committed to celebrating the centennial of the arrival of Puerto Ricans to Hawaii. This centennial celebration deserves the support of the State as well. However, your Committee defers to the Committee on Finance to determine the level of that support.

Your Committee has amended the bill by:

- (1) Inserting the amount of \$1 as the appropriation amount as a symbolic gesture to continue the discussion on this bill; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 634, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 634, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

**SCRep. 36 Culture and the Arts and Higher Education on H.B. No. 314**

The purpose of this bill is to allow the current management arrangements with the Research Corporation of the University of Hawaii and the University of Hawaii Foundation at the state aquarium to continue indefinitely.

ACT 187 (SLH 1997) stipulates that the transfer of the management of the state aquarium from the University of Hawaii to a non-profit corporation occur before June 30, 1999. Negotiations toward a management agreement between the University of Hawaii and the Friends of the Waikiki Aquarium have been stalled due to the proposal to relocate the state aquarium to Kakaako. It is unlikely that the Kakaako aquarium issue will be resolved before June 30, 1999.

The director of the Waikiki Aquarium testified in support of the bill.

As affirmed by the records of votes of the members of your Committees on Culture and the Arts and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 314 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Ito, and McDermott.

**SCRep. 37 Health on H.B. No. 351**

The purpose of this bill is to assure the privacy of individuals' health information without compromising the delivery of high quality health care by:

- (1) Stipulating conditions under which health information can be disclosed; and
- (2) Establishing remedies for violations of the improper disclosure of and unauthorized and inappropriate use of protected health information.

Testimony in support of the measure was submitted by the Department of Commerce and Consumer Affairs' Regulated Industries Complaints Office, the Department of Health, the Hawaii Medical Service Association, the Hawaii Medical Association, the Hawaii Chapter of the American Academy of Pediatrics, Queen's Health Management and Queen's Health Plans, the AARP State Legislative Committee, the Hawaii Coalition for Health, the Hawaii Federation of Physicians and Dentists, Kaiser Permanente, and the Schering-Plough Corporation. The State Insurance Commissioner submitted testimony indicating its support for the measure so long as the Insurance Division's regulatory role over insurers on other matters is retained.

The League of Women Voters of Hawaii and several individuals submitted testimony in opposition to the measure. The Office of Information Practices submitted comments on the measure.

Your Committee believes that the complexity of this health care privacy issue merits further legislative deliberation. It is the intent of your Committee to facilitate further discussion on this issue in the Committee on Consumer Protection and Commerce and the Committee on Judiciary and Hawaiian Affairs, particularly with regard to the balance between patients' privacy interests and the need for information to provide quality health care.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 351 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 38            Health on H.B. No. 787**

The purpose of this bill is to establish civil commitment procedures for the long-term care and treatment of persons found to be sexually violent predators. Those persons who may be considered sexually violent predators are persons who:

- (1) Have been charged or convicted of certain offenses; and
- (2) Suffer from a mental abnormality or personality disorder,

that makes the person likely to engage in predatory acts of sexual violence if the person is not confined in a secure facility.

The Department of Public Safety, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Honolulu Police Department submitted testimony in support of this measure. The Department of Health submitted testimony in support of the intent of this measure, but conveyed serious reservations. The Office of Youth Services opposed the intent of this measure. The Judiciary took no position on the merits of this bill, but raised serious concerns as to the impact to current Circuit court operations.

Your Committee finds that while some sex offenders do not re-offend after their initial incarceration, many repeat offenders seem oblivious to the impact of incarceration or treatment. Your Committee is concerned that no amount of care will help repeat offenders with treatment or rehabilitation, and believes that the only protection for public safety is incarceration. Sensitive to the legal ramifications of a repeat offender, your Committee respectfully requests the Committees on Judiciary and Hawaiian Affairs and Public Safety and Military Affairs to examine this issue.

While this measure specifically protects the public from sexually violent predators, your Committee believes that the entire range of forensic corrections must be examined to determine the appropriateness for rehabilitation of all criminals.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 787, and recommends that it pass Second Reading and be referred to the Committees on Judiciary and Hawaiian Affairs and Public Safety and Military Affairs.

Signed by all members of the Committee.

**SCRep. 39            Health on H.B. No. 264**

The purpose of this bill is to provide students access to health care by requiring the Director of Health, with assistance of the Superintendent of Education, to establish and operate as a demonstration project, not less than one school-based health clinic in each of the seven department school districts.

The G.N. Wilcox Health Services Corporation of Wilcox Memorial Hospital, the School Health Service Centers at Kapaa and Kahuku High Schools, the Hawaii Nurses' Association, Healthy Mothers Healthy Babies Coalition of Hawaii, and several concerned students submitted testimony in support of this measure. The Departments of Health and Education submitted testimony in support of the intent of this measure.

The Hawaii Chapter of the American Academy of Pediatrics submitted testimony expressing significant reservations, and the Hawaii Medical Association submitted testimony opposing this measure. The Office of Information Practices submitted comments on the provision regarding the confidentiality of student-medical records.

Your Committee finds that this measure encourages collaboration and ensures access to health care for adolescent populations who would otherwise have difficulty accessing timely and appropriate care.

Your Committee further believes that school-based health centers would reduce costs for mental health services, and encourages that mental health services be pursued at these centers to address the Felix Consent Decree.

Your Committee has amended this measure by:

- (1) Replacing the term "clinic" with "center" to more accurately describe the concept;
- (2) Deleting references to a demonstration project;
- (3) Authorizing instead of requiring the centers to provide its list of health services;
- (4) Requiring the Directors of Health and Human Services to look for all possibilities for reimbursement, including federal and private foundation funds, for services provided at a center; 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 is in accord with the intent and purpose of H.B. No. 264, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 264, H.D. 1, and be referred to the Committee on Education.

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

**SCRep. 40      Health on H.B. No. 297**

The purpose of this bill is to protect individuals against involuntary exposure to environmental tobacco smoke (ETS) by requiring employers with five or more employees to adopt a smoking policy to accommodate both smoking and nonsmoking employees. In addition, this bill prohibits smoking in state workplaces.

The Department of Health, the Hawaii Medical Service Association, the Hawaii Medical Association, and the Hawaii Nurses' Association submitted testimony in support of this measure. The American Lung Association, the American Cancer Society, the Coalition for a Tobacco Free Hawaii, and a member of the Kauai County Council submitted testimony in support of the intent of this measure. The United Public Workers submitted testimony in opposition of this measure. Legislative Information Services of Hawaii and the American Heart Association submitted comments.

Your Committee finds that this bill increases protections against exposure to ETS at the workplace and extends those protections to a greater number of employees across the state.

Your Committee has amended this measure by:

- (1) Amending the definition of "employer" to mean any private corporation, firm, or association that employs two or more persons;
- (2) Adding the definition of "partially enclosed workplace" and excluding these places from an enclosed area;
- (3) Excluding from the definition of "workplace" any enclosed workplace:
  - (A) Not sharing a common ventilation system with another enclosed area; and
  - (B) Occupied by a single individual;
- (4) Simplifying the regulation of smoking in the workplace to:
  - (A) Prohibit smoking in all state-owned or controlled areas, including state-owned or leased vehicles;
  - (B) Contain a written smoking policy; and
  - (C) Exclude dining areas of restaurants, bars, and hotel guest rooms; 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 is in accord with the intent and purpose of H.B. No. 297, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 297, H.D. 1, and be referred to the Committee on Labor and Public Employment.

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

**SCRep. 41      Public Safety and Military Affairs on H.B. No. 155**

The purpose of this bill is to appropriate funds to construct a medium security facility for the detention of serious offenders on the island of Hawaii.

The Department of Public Safety submitted testimony in support of this measure.

The American Civil Liberties Union submitted testimony in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 155 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 42          Public Safety and Military Affairs on H.B. No. 531**

The purpose of this bill is to expand the KASHBOX drug rehabilitation program throughout the State and to ensure that women in Hawaii's correctional facilities are given fair and equitable access to the KASHBOX drug rehabilitation program.

Specifically, this bill makes an appropriation for the expansion of the KASHBOX drug rehabilitation program to ensure equal access for both male and female prisoners.

The Department of Public Safety, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Hawaii State Commission on the Status of Women, the American Civil Liberties Union, the Sex Abuse Treatment Center, the Government Efficiency Teams, Inc., and concerned individuals from the community submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 531 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 43          Public Safety and Military Affairs on H.B. No. 475**

The purpose of this bill is to appropriate funds to the Department of Public Safety (DPS) to establish a bicycle patrol for the Capitol District.

Testimony in support of this bill was received from DPS and the Hawaii Bicycling League Community Affairs Committee

DPS testified that while a Bicycle Unit could be an asset in their mission to provide law enforcement and security services to the government and community, its Protective Services Division currently lacks sufficient resources to implement a full scale unit. Instead, of trying to provide funding for five bicycles and related equipment and training, DPS suggested that a pilot program be established with enough funding for two bicycles, and related equipment and training.

Your Committee finds that the DPS proposal has merit. Accordingly, it has amended this bill to:

- (1)     Appropriate \$4,000 for the bicycle patrol; and
- (2)     Provide funding for two, instead of five, bicycles.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 475, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 475, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 44          Public Safety and Military Affairs on H.B. No. 440**

The purpose of this bill is to:

- (1)     Allow the Narcotics Enforcement Division (NED) to share prescription information with physicians; and
- (2)     Appropriate funds from the controlled substance registration revolving fund for one full-time data processing systems analyst position to carry out this task.

The NED and Hawaii Medical Association testified in support of this measure. The Office of Information Practices supported the intent of this measure, but testified that the scope is too broad.

Your Committee finds that it is not uncommon for substance abusers to intentionally visit more than one physician and withhold information regarding other prescriptions they have obtained. This measure will help physicians better identify those patients who are abusing controlled substances by obtaining multiple prescriptions.

Upon further consideration, your Committee has amended this measure by deleting the word "administer" to clarify that disclosure requirements are only applicable to registrants who are authorized to prescribe or dispense controlled substances.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 440, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 45 Water and Land Use on H.B. No. 500**

The purpose of this bill is to repeal the prohibition for non-resident aliens to bring firearms into the State provided that the person has a valid Hawaii hunting license or proof that the person has been invited to hunt on private land or engage in target shooting.

Your Committee received testimony as follows:

1. Department of Land and Natural Resources, Valley Isle Sport Shooters, Hawaii Rifle Association, Lessons in Firearms Education, Hawaii Hunting Association, Hawaii Hunting Advisory Council, Pig Hunters of Hawaii, Wildlife Conservation Association of Hawaii, Hawaii Citizens' Rights PAC, and two private citizens, in support; and
2. Honolulu Police Department, in opposition.

Your Committee finds that all of Hawaii's game mammals are non-native and, if left unchecked, pose a considerable threat to Hawaii's native plants and wildlife. In Hawaii, as in most other locations, wildlife officials have found that hunting has provided an excellent, cost-effective means of controlling wildlife populations, as well as providing recreation and subsistence for a large number of residents. In addition, hunting and target shooting have become popular visitor activities and have demonstrated the potential for development as tourism niche markets.

Your Committee revised the bill by:

1. Adding a time limit of 60 days;
2. Requiring the firearms to be registered;
3. Adding a shooting preserve permit to the documents allowing non-resident firearms;
4. Providing that the registration be non-transferable and limited to ten firearms; and
5. Making technical, non-substantive changes for the purposes of style and clarity.

The changes made by your Committee have satisfied the public safety concerns of the Honolulu Police Department.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 500, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 46 Water and Land Use on H.B. No. 699**

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources for infrastructure improvements to land leased to Maunaloa Valley residents.

Your Committee received testimony as follows:

1. Office of Hawaiian Affairs, Habitat for Humanity, and one private citizen, in support; and
2. Department of Land and Natural Resources, in opposition.

Your Committee finds that many families of Hawaiian ancestry living in the Maunaloa region of Makiki Heights have been living in the area for a very long time, some since the Great Mahele. The land is owned by the state and leased to the residents, who live in substandard homes, some in tents. They cannot qualify for loans because of the substandard infrastructure and their non-ownership of the property, and thus cannot upgrade or rebuild their homes.

Your Committee revised the bill by:

1. Changing the appropriation amount to \$2 for the purpose of continuing discussion of the bill; and

2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 699, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 699, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 47 Higher Education on H.B. No. 152**

The purpose of this bill is to appropriate unspecified amounts for the development of programs by the East-West Center in partnership with the University of Hawaii that will focus on the economic growth and integration of the Asia-Pacific region.

Testimony in support of the bill was submitted by the East-West Center. The University of Hawaii at Manoa submitted testimony in support of the intent of the bill.

Your Committee finds that the East-West Center and the University of Hawaii are two of the most prestigious and influential institutions of higher education in the state. They complement each other in many ways, and a closer relationship between them can be used to benefit Hawaii and the entire Pacific region.

The Governor in his state-of-the-state speech on January 25, 1999, spoke of his vision of making Hawaii the "Education Center of the Pacific." This bill plants seeds that can make his vision a reality.

The bill has been amended by:

- (1) Inserting the sum of \$50,000 as the amount appropriated for each year of the fiscal biennium; and
- (2) Revising the findings and purpose section of the bill to recognize the remarks of the Governor.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 152, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 48 Higher Education on H.B. No. 250**

The purpose of this bill is to authorize the Board of Regents to enter into financing agreements and sell, assign, or otherwise dispose of them without the approval of the Director of Finance or the Attorney General if the principal amount of the financing agreement does not exceed \$3,000,000.

Testimony in support of the bill was submitted by the University of Hawaii and the University of Hawaii Professional Assembly.

In the 1998 session the Legislature passed H.B. No. 2560, enacted as Act 115, Session Laws of Hawaii 1998, which provided the University with increased flexibility in managing its resources. The intent of the legislation was to empower the University of Hawaii to become more entrepreneurial so that it would have a greater impact on the state economy. The authorization to enter into financing agreements provided by H.B. No. 250 enhances last year's flexibility legislation.

Your Committee has amended the bill by increasing the ceiling of the amount of any financing agreement from \$3,000,000 to \$4,000,000.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 250, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 250, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura and Santiago.

**SCRep. 49 Higher Education on H.B. No. 834**

The purpose of this bill is to make clarifying amendments to the optional retirement system of the University of Hawaii.

Specifically, this bill clarifies that only university employees who are eligible for membership in the state employees' retirement system may participate instead in the University of Hawaii optional retirement system.

Furthermore, this measure also clarifies that the item open for negotiation between the university and the exclusive representative for bargaining unit (7) is the employer's contributions to the optional retirement system, not the retirement benefits of the system.

Your Committee finds that the first clarification is needed because the optional retirement system was geared to give full-time faculty a more attractive retirement package than that of the state employees' retirement system. There was no intent to open membership in the optional retirement system to faculty members who are ineligible for membership in the state employees' retirement system.

Your Committee further finds that the second change is needed because the optional retirement system is a defined contribution plan, not a defined benefit plan like the state employees' retirement system.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 834 and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Okamura and Santiago.

**SCRep. 50 Higher Education on H.B. No. 967**

The purpose of this bill, as received, is to strengthen the College of Hawaiian Language (CHL) by:

- (1) Allowing CHL to contract in the Hawaiian language directly with providers;
- (2) Including CHL with all other units of the University of Hawaii (UH) relative to the receipt and expenditure of general funds; and
- (3) Removing the requirement that UH continue working with the Office of Hawaiian Affairs (OHA), the Federal Government, and the 'Aha Punana Leo, Inc. (APL), to establish additional funding for the needs of CHL.

CHL, UH at Hilo, and the Hale Kuamo'o Hawaiian Language Center testified in support of this bill.

Your Committee finds that CHL has proven it is a relevant part of the UH system and that it deserves general funding to the same extent that all other UH programs and students do. Your Committee also finds that CHL should be accorded the freedom to carry out its business with the private and public sectors in the Hawaiian language.

Your Committee has amended this bill by:

- (1) Making optional, rather than mandatory, UH's ability to contract with RCUH as needed; and
- (2) Requiring UH to continue working with OHA, the Federal Government, and APL, to establish additional funding for the needs of the CHL.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 967, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs in the form attached hereto as H.B. No. 967, H.D. 1.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 51 Higher Education on H.B. No. 252**

The purpose of this bill is to prohibit unaccredited institutions from issuing degrees unless they comply with certain standards.

Testimony in support of this bill was received from the Department of Commerce and Consumer Affairs, the University of Phoenix, the University of the Nations, the University of Professional Studies, and the Chamber of Commerce of Hawaii. Your Committee received testimony in support of the intent of the measure from the University of Hawaii and the State Post-Secondary Education Commission.

Your Committee finds that the number of unaccredited degree granting institutions operating under Hawaii's lenient laws continue to increase. While there are legitimate unaccredited institutions that provide sound educational services, there are others that do not and are merely "diploma mills". They operate in Hawaii unchecked in their lack of providing educational services. The bill is designed to eliminate "diploma mills" by requiring a service of process, physical presence, maintenance of student information, disclosure and sanctions.

The bill has been amended by:

- (1) Deleting the requirement that the Advisory Board use as a guide the "National Guide to Education Credits for Training Program" by the American Council of Education;
- (2) Prohibiting any unaccredited institution from declaring when it is a candidate for accreditation; and
- (3) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 252, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 252, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 52            Economic Development and Business Concerns on H.B. No. 247**

The purpose of this bill is to clarify and confirm the Legislature's intent in enacting Act 80, Session Laws of Hawaii 1994, which was to empower the Public Utilities Commission to replace an existing telecommunications carrier with an alternative carrier for particular areas.

Specifically, this bill grants the alternative carrier the power to acquire from the decertified carrier by eminent domain any property and rights necessary to provide service, in accordance with procedures set forth in the bill.

GST Telecom Hawaii, Inc., Oceanic Communications, and TelHawaii, Inc. submitted testimony in support of this bill. The Department of Business, Economic Development, and Tourism, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and AT&T testified in support of the intent of the bill. GTE and IBEW Local Union 1357 submitted testimony opposing this bill.

Your Committee finds that current obstacles to replacing carriers in certain areas are hindering the goal of bringing competition to Hawaii's telecommunications industry. Your Committee, therefore, supports this bill to provide a means to facilitate the replacement of carriers when the Public Utilities Commission finds that replacement is necessary. Your Committee recognizes that this bill will undergo further discussion and deliberation by the Committees on Consumer Protection and Commerce and Finance.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 247 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Ito.

**SCRep. 53            Economic Development and Business Concerns on H.B. No. 346**

The purpose of this bill, as received by your Committee, is to provide an orderly three-year transition for the repeal of the Hawaii Hurricane Relief Fund (HHRF), by:

- (1) Requiring the Insurance Commissioner (Commissioner) to provide for the internal restructuring and scaling back of the HHRF on an incremental basis until it is repealed on July 1, 2002;
- (2) Authorizing the Commissioner to contract with a private consultant to create a transition plan for the HHRF's repeal; and
- (3) Specifying that the Commissioner submit an interim report containing the findings, recommendations, and any proposed legislation to the Legislature and the Governor prior to the 2000 Regular Session and a final report to the Legislature and the Governor prior to the 2001 Regular Session.

The HHRF Executive Director submitted testimony in support of the measure. The Department of Commerce and Consumer Affairs submitted testimony in support of the intent of the measure. Opposing testimony was received from the Hawaii Insurers Council. The Hawaii Association of Realtors submitted comments on the measure.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting new material requiring the Governor, rather than authorizing the HHRF Board, to appoint the HHRF Executive Director.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 346, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Ito.

**SCRep. 54            Economic Development and Business Concerns on H.B. No. 1270**

The purpose of this bill is remove barriers to voluntary community participation in unincorporated nonprofit associations (UNAs), by giving UNAs legal status and associated legal protections and benefits. The measure:

- (1) Gives UNAs the legal capacity to receive, hold, and transfer personal and real property;
- (2) Limits the liability of members and functionaries of UNAs for tort and contract;



- (3) Provides UNAs standing to sue and be sued as associations;
- (4) Establishes a procedure for disposing of the property of an inactive UNA; and
- (5) Permits the UNA to designate an agent for service of process.

Testimony in support of this bill was received from the Commission to Promote Uniform Legislation of the Department of the Attorney General. The Business Registration Division of the Department of Commerce and Consumer Affairs submitted comments.

Your Committee believes that this bill will benefit the community by making voluntary participation by citizens in associations that support the diverse range of possible community activities, more secure.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1270 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Ito.

**SCRep. 55 Economic Development and Business Concerns on H.B. No. 1271**

The purpose of this bill is to repeal and replace the Revised Uniform Principal and Income Act of Chapter 557, Hawaii Revised Statutes, with a new act that establishes trustee estate administration procedures that are updated to function consistent with modern trust investment practices.

Hawaii's Commission to Promote Uniform Legislation urged adoption of this measure, testifying that revision of the law is necessary to provide a modern set of rules allowing, among other things, adjustment for prudent investment decisions and tax laws.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1271 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Ito.

**SCRep. 56 Tourism on H.R. No. 7**

The purpose of this resolution is to urge the United States Congress to expand and make permanent the temporary Visa Waiver Program established under the Immigration Control and Reform Act of 1986.

Your Committee received testimony in support of this measure from the Department of Transportation.

Upon further consideration, your Committee has amended this resolution to extend the visa waiver program to include China.

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. 7, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 7, H.D. 1.

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

**SCRep. 57 Tourism on H.C.R. No. 4**

The purpose of this concurrent resolution is to urge the United States Congress to expand and make permanent the temporary Visa Waiver Program established under the Immigration Control and Reform Act of 1986.

Your Committee received testimony in support of this measure from the Department of Transportation.

Upon further consideration, your Committee has amended this concurrent resolution to extend the visa waiver program to include China.

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. 4, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 4, H.D. 1.

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

**SCRep. 58 Human Services and Housing on H.B. No. 273**

The purpose of this bill is to deter child abuse by:

- (1) Creating a distinct felony of "child abuse"; and
- (2) Increasing criminal penalties for perpetrators of child abuse.

The Department of the Prosecuting Attorney of the City and County of Honolulu submitted testimony in support of the intent of this measure. One individual submitted comments.

Your Committee finds that setting the age of child abuse at age sixteen may bring about unintended consequences. Therefore, this measure has been amended by changing all references of age sixteen to age fourteen.

Your Committee notes that in its current form, section 703-309, Hawaii Revised Statutes, requires the prosecution to prove beyond a reasonable doubt that the defendant's actions were not:

- (1) For legitimate disciplinary purposes; and
- (2) Designed to cause, or known to cause, a risk of causing substantial bodily injury, disfigurement, extreme pain, mental distress, or neurological damage.

This is a very significant burden for the prosecution that is often difficult to overcome. Your Committee respectfully requests the Committee on Judiciary and Hawaiian Affairs to examine an affirmative defense requiring the defendant to assume the burden of proof.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 273, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 273, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Santiago.

**SCRep. 59 Human Services and Housing on H.B. No. 274**

The purpose of this bill is to protect children and youth from abuse and neglect.

The Hawaii Catholic Conference submitted testimony in support of the intent of this measure, but opposed the provision mandating clergy or priests to report instances of child abuse and neglect. The Honolulu Police Department submitted testimony in support of the intent of this measure, but commented on the provision regarding protective custody of a child without court order. The Judiciary took no position on the policy issues of this bill, but commented on provisions relating to guardian ad litem. The Department of Human Services (DHS) and an individual submitted comments.

Your Committee finds that this measure is a coordinated response from the Child Protection Legislative Roundtable to prevent child abuse and improve Hawaii's child protection system.

Your Committee has amended this measure by:

- (1) Requiring DHS to establish a medical/health case management procedure instead of a system;
- (2) Mandating persons providing emergency foster home or relative foster home care to successfully complete foster parent training within one year of the child's initial placement instead of as a condition of placement;
- (3) Removing members of the clergy or priests as persons who are mandated to report child abuse;
- (4) Requiring mandated reporters to orally report child abuse to both DHS and the police department;
- (5) Authorizing instead of requiring the conditions of which a police officer may assume protective custody of a child without a court order;
- (6) Requiring the Department of Commerce and Consumer Affairs instead of the Judiciary to:
  - (A) Set the standards of licensing and competence; and
  - (B) Adopt rules relating to standards of training and practice;for guardian ad litem; 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 is in accord with the intent and purpose of H.B. No. 274, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 274, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Santiago.

**SCRep. 60 Human Services and Housing on H.B. No. 1118**

The purpose of this bill is to amend laws governing disclosure of information by the Department of Human Services (DHS), by allowing the DHS to adopt rules providing for the release of information consistent with federal statutes and regulations.

DHS supported this measure, testifying that DHS needs the flexibility to adopt rules to keep the agency current with federal law.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1118 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Santiago.

**SCRep. 61 Human Services and Housing and Health on H.B. No. 627**

The purpose of this bill is to expand health care to uninsured children by appropriating funds from the Tobacco Settlement Special Fund for the Children's Health Insurance Program (CHIP).

The Hawaii State Primary Care Association and the American Academy of Pediatrics submitted testimony in support of this measure. The Departments of Human Services and Health submitted testimony in support of the intent of this measure.

Your Committees recognize that state participation in CHIP is an important opportunity for Hawaii to capture federal matching funds to provide health coverage for uninsured children from low-income families.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 627 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 62 Energy and Environmental Protection on H.B. No. 1141**

The purpose of this bill is to enable the Department of Health (DOH) to evaluate the impact of chemical releases and oil spills on Hawaii's complex ecosystems by authorizing the establishment of an ecological risk assessor position.

Under Chapter 128D, Hawaii Revised Statutes, DOH is responsible for protecting the public health and the environment from releases of hazardous substances. Thus far, the emphasis has been on protecting human health. The DOH is meeting this need for human health risk assessment by requesting a second toxicologist position in its budget request.

However, there is no expertise in DOH in ecological risk assessment. This is a vital need, because under the federal Superfund law and the Oil Pollution Act of 1990, the State serves as trustee for natural resources. In the event of an oil spill, the cleanup is only part of the response. The other part is to assess the impact of the spill on the environment so that the State can be compensated for damages done to its natural resources.

DOH and the Sierra Club, Hawaii Chapter testified in support of this measure. The University of Hawaii's Environmental Center offered comments.

The proposed position is to be funded from DOH's Environmental Response Revolving Fund. Your Committee defers to the Committee on Finance to determine the appropriateness of this funding source.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1141 and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee.

**SCRep. 63 Energy and Environmental Protection on H.B. No. 1287**

The purpose of this bill is to reduce the gas rates for the general public by authorizing the issuance of special purpose revenue bonds for The Gas Company, a division of Citizens Utilities Company.

According to The Gas Company, the bonds will be used to finance capital improvements to its underground transmission and distribution pipeline system, including repair and maintenance and expansion to capture new business.

The Gas Company and the Consumer Advocate of the Department of Commerce and Consumer Affairs testified in support of 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 is in accord with the intent and purpose of H.B. No. 1287 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 64 Economic Development and Business Concerns on H.B. No. 1364**

The purpose of this bill is to spur job creation in Hawaii by:

- (1) Creating technical assistance grants to nonprofit business development organizations to enable them to provide technical assistance and loans to microenterprises through applications to the Department of Business, Economic Development, and Tourism; and
- (2) Appropriating funds for these grants.

The Department of Business, Economic Development, and Tourism and Maui Economic Opportunity, Inc. provided testimony in support of this bill.

Your Committee has amended this bill by

- (1) Substituting the sums appropriated with the sum of \$1 to facilitate further discussion in the legislative process; and
- (2) Making technical, non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1364, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1364, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

**SCRep. 65 Economic Development and Business Concerns on H.B. No. 1646**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$20,000,000 to assist Verticil International in acquiring, constructing, and starting up a manufacturing facility to fabricate an electronic switching system.

The Department of Business, Economic Development, and Tourism and Verticil Communications, Inc. provided testimony in support of this bill.

Your Committee has amended this bill by changing the authorization sum of the special purpose revenue bond to \$1 to facilitate further discussion on the financial aspects of the bill.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1646, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1646, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

**SCRep. 66 Economic Development and Business Concerns on H.B. No. 1744**

The purpose of this bill is to appropriate funds, with a requirement for matching funds, for the development of community development financial institutions.

The Department of Hawaiian Homelands, the State Council of Hawaiian Homestead Associations, a representative from the Nation of Hawaii, and a private citizen submitted testimony in support of this bill.

Your Committee finds that making available loan funds and investment capital is essential to economic revitalization, especially in economically distressed communities. Your Committee further finds that community development financial institutions provide such financial assistance to distressed areas and populations.

Your Committee has amended this bill by:

- (1) Clarifying that Bank of America Community Development Bank has made a financial commitment to provide development and technical assistance funds to Na Po'e Kokua, Inc.;
- (2) Stating that Bank of America Community Development Bank, and not the federal government, is to provide the matching funds; and
- (3) Reducing the amount of the appropriation to \$1 for the purpose of further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1744, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1744, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Ito.

**SCRep. 67 Economic Development and Business Concerns on H.B. No. 665**

The purpose of this bill is to provide for the repeal of the Hawaii Hurricane Relief Fund (HHRF) on July 1, 1999, by:

- (1) Establishing:
  - (a) The Hurricane Relief Loan Fund to provide loans to strengthen or "hurricane-proof" homes at risk to hurricane damage;
  - (b) The Hurricane Relief Administrative Procedures Loan Committee (Loan Committee) to administer the Hurricane Relief Loan Fund; and
  - (c) The Hurricane Loss Projection Methodology Commission (Methodology Commission) to improve the accuracy and reliability of hurricane loss projections; and
- (2) Transferring as of June 30, 1999, all unencumbered and unexpended funds in the Hurricane Reserve Trust Fund to the general fund, provided \$10,000,000 in the Hurricane Reserve Trust Fund is transferred to the Hurricane Relief Loan Fund.

Testimony in support of this measure was submitted by Armstrong Builders, Ltd., Willocks Construction Corporation, the Hawaii Operating Engineers Industry Stabilization Fund, the Contractors Association of Kauai, JK Electric Inc, Hidano Construction, Inc., and the Building Industry Association of Hawaii. Testimony in opposition to the measure was received from the Hawaii Insurers Council. The Department of Commerce and Consumer Affairs, the HHRF, and Hurricane Protection Systems, Inc., submitted comments on the measure.

Your Committee finds that the HHRF was meant to be a temporary solution to the unavailability of hurricane insurance and that it is necessary to examine whether the HHRF has served its intended purpose. This bill provides an orderly transition for the repeal of the HHRF and establishes sound and feasible alternatives to the HHRF.

Among other things, your Committee has amended this bill by:

- (1) Repealing the HHRF on June 30, 2001;
- (2) Requiring the Insurance Commissioner to provide for the internal restructuring and scaling back of the HHRF within a two-year period ending on June 30, 2001;
- (3) Establishing the Natural Disaster Loss Mitigation Fund to mitigate losses incurred from natural disasters in the State;
- (4) Transferring as of June 30, 2001, all unencumbered and unexpended funds in the Hurricane Reserve Trust Fund to the Natural Disaster Loss Mitigation Fund, provided that \$30,000,000 in the Hurricane Reserve Trust Fund is transferred to the Hurricane Relief Loan Fund on June 30, 1999;
- (5) Requiring applicants for a loan from the Hurricane Relief Loan Fund to submit plans, specifications, and standards for work on their real property to the Methodology Commission;
- (6) Authorizing the Loan Committee to offer grants up to 50 percent of the applicant's requested loan amount;
- (7) Changing the composition of the Methodology Commission; and
- (8) Changing the hurricane loss projection standards and guidelines.

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

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 665, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 665, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Ito.

**SCRep. 68            Transportation on H.B. No. 15**

The purpose of this bill, as received by your Committee, is to make technical and clarifying amendments to the law governing administrative revocation of a driver's license.

Your Committee finds that the law was not clear as to when a judicial review decision in cases involving the administrative revocation of a driver's license could be remanded for further hearings. Your Committee further finds that the period of three months revocation of a driver's license, if the arrestee's record shows no prior alcohol enforcement contacts during the five years preceding the date of arrest, does not take into account that months differ in numbers of days.

This bill proposes to clarify judicial review decisions by providing that the court may remand a decision for entry of an order consistent with the judicial review decision, while retaining the provision that the court can not remand the matter back to the director for further proceedings consistent with the order. This bill also proposes to change the license revocation for first time offenders from three months to ninety days.

Testimony in support of this measure was heard from The Judiciary, State of Hawai'i.

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

Signed by all members of the Committee except Representatives Okamura, Takai and Yoshinaga.

**SCRep. 69            Transportation on H.B. No. 212**

The purpose of this bill, as received by your Committee, is to reduce the number of serious motor vehicle injuries involving minor passengers.

Your Committee finds that the numbers of accidents in which minor passengers are injured or killed, while riding with intoxicated drivers, are increasing. Your Committee further finds that stronger penalties are needed to deter persons from endangering minor passengers by driving while intoxicated.

This bill proposes to impose a mandatory minimum consecutive jail sentence of forty-eight hours and not more than thirty days, and a mandatory fine of \$500, upon any driver convicted of a driving under the influence (DUI) offense with a passenger less than eighteen years of age.

Testimonies in support of this bill were received from the Department of Transportation, the Police Department of the City and County of Honolulu, Mothers Against Drunk Driving, and Keiki Injury Prevention Coalition. The Public Defender did not take a position on the bill, but offered comments.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 212 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Okamura, Takai and Yoshinaga.

**SCRep. 70            Transportation on H.B. No. 715**

The purpose of this bill, as received by your Committee, is to amend the statute relating to vehicles registered under two or more names.

Your Committee finds that any vehicle registered in the names of two or more persons shall be presumed to be owned in joint tenancy unless otherwise specifically stated on a form provided by the county director of finance. Your Committee further finds that the form being issued by the counties is not legally sufficient to provide for the different types of joint ownership.

The proposed bill provides that the applicant for the exception be responsible for the appropriate legal documents. The phrase "provided by the director of finance" has been removed to amend the present statute.

Testimony in support of this bill was received from the Director of Customer Services, City and County of Honolulu.

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

Signed by all members of the Committee except Representatives Okamura, Takai and Yoshinaga.

**SCRep. 71            Transportation on H.B. No. 4**

The purpose of this bill, as received by your Committee, is to clarify the authorization of police departments relative to the establishment of roadblock procedures.

Your Committee finds that the legal seizure of vehicles stopped at intoxication and drug control checkpoints have been questioned in courts when procedures do not adhere to minimum statutory roadblock requirements. Your Committee further finds that police departments may wish to exceed minimum requirements without jeopardizing the validity of their roadblocks.

This bill proposes to permit police departments to exceed the minimum statutory roadblock requirements without invalidating the procedures used in their roadblocks.

Testimonies in support of this bill were received from the Department of Transportation, the Office of the Public Defender, the Department of the Prosecuting Attorney and the Police Department of the City and County of Honolulu, the Police Department of the County of Maui, the Governor's Highway Safety Council, and Mothers Against Drunk Driving.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 4 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Okamura, Takai and Yoshinaga.

**SCRep. 72            Transportation on H.B. No. 774**

The purpose of this bill, as received by your Committee on Transportation, is to mandate the use of seat belts in the back seat of a motor vehicle.

Your Committee finds that this amendment is extremely important for child safety, as riding unrestrained is an important factor in the death or injury among children as passengers in a motor vehicle. The use of seat belts for back seat passengers is critical, especially since back seat passengers are not protected by air bags or other kinds of protective equipment. The use of seat belts by all passengers in a motor vehicle, regardless of where they sit, will dramatically decrease the number of motor vehicle related deaths.

This bill proposes to mandate the use of seat belts in the back seat of a motor vehicle by passengers who are between the ages of four and thirteen.

Testimonies in strong support of this bill were heard from the State Department of Transportation, the State Department of Health, the Honolulu City and County Police Department, the Keiki Injury Prevention Coalition, the Hawaii Medical Association, Mothers Against Drunk Driving, the Hawaii Insurers Council, and the American Academy of Pediatrics.

Your Committee has amended this bill by requiring all passengers in a motor vehicle, regardless of ages or seating arrangement, to be restrained by seat belt systems.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 774, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 774, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Okamura, Takai and Yoshinaga.

**SCRep. 73            Transportation on H.B. No. 765**

The purpose of this bill, as received by your Committee, is to permit rent-a-car lessors to visibly pass on their concession and access fees to consumers of rental vehicles.

Your Committee finds that lessors consider their concession and access fees when quoting rates for rental vehicles, but are not able to visibly show these costs. Your Committee finds that consumers compare costs for rentals in other jurisdictions and nationally advertised rates, and conclude that they are being overcharged in Hawaii, since lessors in many jurisdictions make extra charges visible.

This bill proposes to permit motor vehicle lessors to visibly pass on the concession and access fees and charges paid to public airport as airport charges.

Testimony in favor of this bill was received from Catrala-Hawaii's Legislative Affairs Committee. Testimony in opposition to the bill was received from the Department of Commerce and Consumer Affairs. The Department of Transportation requested that the bill be deferred pending national guidelines.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 765 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 74            Transportation on H.B. No. 851**

The purpose of this bill, as received by your Committee, is to amend the statute relating to the removal of a vehicle from storage.

Your Committee finds that before a vehicle may be removed from storage, the owner must present a certificate of inspection that was issued after the recording of the storage to the director of finance. Your Committee further finds that there are situations in which the current certificate of inspection is still valid at the time of the request for the removal of a vehicle from storage.

This bill proposes to require a new certificate of inspection only when the existing certificate has expired.

Testimony in support of this bill was received from a citizen who places three vehicles in storage each year for three months while on the Mainland. Testimony in opposition to this bill was received from the City and County of Honolulu, citing the reason that vehicles are often stored because they are already defective.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 851 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Okamura, Takai and Yoshinaga.

**SCRep. 75            Transportation on H.B. No. 168**

The purpose of this bill, as received by your Committee, is to help the airline industry by keeping airport landing fees as low as possible.

Your Committee finds that our State's dependence on airline service necessitates keeping costs to air carriers as low as possible. Your Committee further finds that the income from landing fees, together with other airport income, in some fiscal years may be more than necessary to fund anticipated airport costs.

This bill proposes that should the airport fund balance plus projected future revenues exceed the amount determined to be necessary to finance the fund's requirements that the Director of Transportation may grant a rebate of the airport landing fees.

Testimonies in support of this bill were received from the Department of Transportation and from the Airlines Committee of Hawaii, which indicated that they are working closely together to accomplish low and stable airport/airline costs.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 168 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Takai and Yoshinaga.

**SCRep. 76            Transportation on H.B. No. 602**

The purpose of this bill, as received by your Committee, is to help assure that the transfers of trailers are recorded on a timely basis.

Your Committee finds that owners are required to record the transfers of trailers with the director of finance within twenty days, and that delinquent transferees are subject to nominal fees of five dollars. Your Committee further finds that failures to record transfers of trailers within the allotted time are numerous.

This bill proposes that owners be required to record the transfers of trailers within thirty days, and that delinquent transferees be subject to assessments of fees of fifty dollars.

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



As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 602 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Takai and Yoshinaga.

**SCRep. 77            Transportation on H.B. No. 483**

The purpose of this bill, as received by your Committee, is to keep motorists apprised of traffic conditions on roadways throughout the State.

Your Committee finds that motorists often face delays in reaching their destinations because of unexpected accidents or other road conditions which impede movement of vehicles. Your Committee further finds that if motorists were apprised of such conditions, they would drive more cautiously, and might be able to take alternate routes to complete their trips.

This bill proposes that the Department of Transportation establish and maintain a system by which motorists may be apprised of road conditions throughout the State.

Testimony in support of the intent of this bill was received from the Department of Transportation, which cited that implementation of such a system is not feasible at this time because of inability to gather official information to disseminate to drivers.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 483 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Takai and Yoshinaga.

**SCRep. 78            Transportation on H.B. No. 516**

The purpose of this bill, as received by your Committee, is to reduce the numbers of traffic accidents and fatalities on Hawaii's roadways.

Your Committee finds that vehicles often become involved in accidents because drivers are not well-informed about traffic laws and traffic safety practices. Your Committee further finds that efforts to educate the public must be increased if vehicle accidents are to lessen.

This bill proposes to appropriate funds for television and radio public service announcements to reinforce safe driving practices and responsible attitudes of motorists.

Testimonies in support of this bill were heard from the Hawaii Transportation Association and Gomes School Bus Service. The Department of Transportation testified in support of the intent of this bill, but felt that sufficient funding is presently available for radio and television publicity.

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

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

**SCRep. 79            Transportation on H.B. No. 713**

The purpose of this bill, as received by your Committee, is to make it more convenient for motorists to register their new vehicles.

Your Committee finds that temporary number plates may be used on new vehicles, pending registration, for not more than twenty days after purchase. Your Committee further finds that the twenty-day limit for utilization of temporary plates may be a hardship on some persons due to work and other commitments. Your Committee also finds that registrants bringing their vehicles from the Mainland have thirty days in which to complete State registration.

This bill proposes to extend the time period for the registration of new motor vehicles from twenty to thirty days.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 713 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Takai and Yoshinaga.

**SCRep. 80            Transportation on H.B. No. 849**

The purpose of this bill, as received by your Committee on Transportation, is to expand the scope of the term "special facilities" in reference to special facility revenue bonds and leases for airports.

Your Committee finds that this amendment will be beneficial for Hawaii's economy. By allowing special facility revenue bonds to be used for the construction and maintenance of facilities for cargo operations, cargo facilities in Hawaii will increase. This amendment will encourage the cargo operations in Hawaii to flourish, and, this, in turn, will provide for more job opportunities and foster a better business climate for the State.

This bill proposes to include the use of special facility revenue bonds for the construction and maintenance of facilities for cargo operations.

Testimonies in support of this bill were heard from the State Department of Budget and Finance, the Airlines Committee of Hawaii, and Hawaiian Airlines.

Your Committee has amended this bill by changing "cargo" in line 6 to read "air cargo."

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 849, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 849, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Takai and Yoshinaga.

**SCRep. 81            Education on H.B. No. 310**

The purpose of this bill is to require the Director of Finance, in consultation with the Superintendent of Education, to include funding for coaches' salaries, athletic health care trainers, athletic equipment and supplies, and the transportation of athletic teams as standard workload increase items when planning and budgeting for new public schools.

The Department of Education, the Hawaii State Teachers Association, and the Athletic Directors and Coaches Association testified in support of this bill. The Department of Budget and Finance testified in opposition to this bill.

Your Committee finds that athletic programs are an integral part of school curricula and should be properly funded as part of the basic criteria for the funding of new schools. Without proper funding, schools may be forced to drop sports programs and deprive students of the opportunity to participate in the positive experiences that athletic programs have to offer.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 310 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 82            Education on H.B. No. 309**

The purpose of this bill is to establish the Textbook Deposit Revolving Fund into which students shall deposit a flat fee in order to guarantee the timely return of any assigned textbooks and to compensate the Department of Education for the negligent loss, destruction, breakage, or damage of any assigned textbooks.

Testimony in support of the concept was received from the Hawaii State Teachers Association. The Department of Education, the Department of Budget and Finance, the Hawaii School Office Services Association, Aiea High School, Waiialua High & Intermediate School, Pearl City High School, Kailua Elementary School, and Kailua High School, while supporting the intent, raised concerns about the creation of the revolving fund.

Your Committee finds that much of the testimony expressed legitimate concerns over the greatly increased workload that textbook fee collections would impose on already over-burdened school staffs. In addition, many testifiers felt that a revolving fund would cost far more to implement than any potential savings.

After much discussion, your Committee has amended this bill by deleting its substance and replacing its contents with a bill that would hold public school students accountable for returning their textbooks at the end of a course by denying individual students the ability to participate in co-curricular and athletic activities until all assigned textbooks have been returned or otherwise properly accounted for.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 309, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 309, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 83 Education on H.B. No. 149**

The purpose of this bill is to advance accountability in public education by proposing to amend the State Constitution to change the Board of Education (BOE) from an elected body to an appointed body.

Testimony in support of the bill was submitted by the Hawaii Business Roundtable and the United Public Workers. Testimony in opposition to the bill was submitted by the Board of Education, the Hawaii State Teachers Association, and the Hawaii State Parent Teacher Student Association. An individual commented on the measure.

Your Committee finds that public education in Hawaii has languished, and the primary reason is the lack of accountability at all levels. This bill seeks to establish accountability at the highest level.

Currently, the responsibility and authority for public education is ambiguous. The BOE is responsible for establishing education policies and developing a budget that incorporates these policies. However, the Governor reviews the education budget developed by the BOE and has the authority to revise it before submitting it to the Legislature. The Legislature has the ultimate authority to fund public education. In doing so, it can continue or create programs and discontinue others without the approval of the BOE.

This bill proposes a constitutional amendment to change the manner in which the BOE is selected. If the members of the BOE are appointed by the Governor, the accountability issue is clarified. The Governor would be accountable for public education, just as the Governor is accountable for all other functions of executive branch departments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 149 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Okamura and Santiago.  
(Representatives Leong and McDermott voted no.)

**SCRep. 84 Education on H.B. No. 150**

The purpose of this bill is to advance accountability in public education by making statutory amendments that are in concert with a proposal in another bill (H.B. No. 149) to amend the State Constitution to change the Board of Education (BOE) from an elected body to an appointed body.

Testimony in support of H.B. No. 150 was submitted by the Hawaii Business Roundtable and the United Public Workers. Testimony in opposition to the bill was submitted by the Board of Education and the Hawaii State Parent Teacher Student Association. An individual commented on the measure.

Your Committee finds that public education in Hawaii has languished, and the primary reason is the lack of accountability at all levels. In conjunction with H.B. No. 149, this bill seeks to establish accountability at the highest level.

Currently, the responsibility and authority for public education is ambiguous. The BOE is responsible for establishing education policies and developing a budget that incorporates these policies. However, the Governor reviews the education budget developed by the BOE and has the authority to revise it before submitting it to the Legislature. The Legislature has the ultimate authority to fund public education. In doing so, it can continue or create programs and discontinue others without the approval of the BOE.

If the members of the BOE are appointed by the Governor, the accountability issue is clarified. The Governor would be accountable for public education, just as the Governor is accountable for all other functions of executive branch departments.

The bill has been amended by:

- (1) Removing any appointed member of the Board of Education from the definition of "elective officer" or "elective official" in Chapter 88, Hawaii Revised Statutes (HRS), which establishes a retirement system for State employees; and
- (2) Deleting reference in Section 302A-1110, HRS, to Chapter 13, HRS, which is repealed by the bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 150, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Okamura and Santiago.  
(Representatives Leong and McDermott voted no.)

**SCRep. 85 Higher Education on H.B. No. 305**

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

- (1) Restructure the Board of Regents ("Board") of the University of Hawaii by adding three additional ex officio members;
- (2) Provide that the appointive members of the Board may serve up to two, eight-year terms;
- (3) Provide that vacancies on the Board shall be filled on an interim basis by a majority of a quorum of the remaining members, terminating upon the Governor's appointment; and
- (4) Establish an advisory Committee for Board appointments.

Testimony in support of this bill was submitted by the University of Hawaii Professional Assembly and Dawson International, Inc. The University of Hawaii and the Hawaii State Ethics Commission submitted comments.

Your Committee finds that the current size of the Board is a sound and manageable size. Your Committee also finds that because the Governor has the ability to immediately fill any vacant Board positions, it is not necessary to amend the current system at this time. In addition, your Committee feels that the proposed advisory Committee to assist the Governor in making regent selections could result in special interests being added to the make-up of the Board.

Your Committee does find, however, that the existing four-year terms for appointive members is too short to provide the Board with consistency and much-needed independence. However, your Committee also finds that the proposed eight-year terms for appointive members are too long.

Accordingly, your Committee has amended this bill by:

- (1) Deleting language that provides for the addition of three ex officio members;
- (2) Deleting language that would require vacancies on the Board to be filled on an interim basis by a majority vote of a quorum of the remaining members of the Board;
- (3) Deleting language that establishes an advisory Committee to assist the Governor in the selection of Board members;
- (4) Providing that members of the Board may serve up to two, six-year terms; and
- (5) Making technical amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 305, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 305, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura and Santiago.

**SCRep. 86 Higher Education on H.B. No. 833**

The purpose of this bill is to treat sales of tangible personal property to the University of Hawaii as wholesale sales under the general excise tax.

The current general excise tax law assesses the retail rate of four per cent on sellers of tangible personal property to the University of Hawaii even when that property will be resold. Generally, if the wholesale rate is applicable, it means that at some point the value of the property will be subject to the four per cent rate. But, because the university is not a licensed seller and not subject to taxation under the general excise tax, the law does not allow the vendors to pay the wholesale rate of one-half of one per cent. On the other hand, when the university imports the goods it will resell from out-of-state, the value of those goods are not subject to the use tax because the university, as a state instrumentality, is exempt from the use tax. Ironically, if the university purchases items from local vendors, a four per cent tax is added on, but if the university imported those same items, the four per cent tax would not apply. The effect of this state law is to put the local vendors at a disadvantage.

Your Committee received testimony in support of this measure from the University of Hawaii, and in opposition from the Department of Taxation. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that despite the fact that four per cent will not be collected on the goods for resale sold to the University of Hawaii, it is in the best interest of the State to assist the university and its students by doing everything possible to keep the costs of education from escalating. Treating these sales to the university as wholesale will begin to whittle away some of the growing costs and in addition will put local vendors on a more even playing field with out-of-state competitors.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 833 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 87 Higher Education on H.B. No. 1053**

The purpose of this bill is to repeal the reporting requirement for budget transfers by the University of Hawaii.

Presently, the University of Hawaii must report transfers of operating funds on a quarterly basis to the Governor, and on an annual basis to the Legislature. The reporting requirement was instituted in 1986 as part of the legislature's policy to grant autonomy to the University of Hawaii.

As further autonomy was granted to the University under Act 115, Session Laws of Hawaii 1998, the operating funds reporting requirement has proven to be duplicative and unnecessary. Your Committee finds that any university budget transfers may be explained by notations on allotment documents processed by the Department of Budget and Finance.

Your Committee received favorable testimony from the University of Hawaii and the Department of Budget and Finance.

Your Committee has amended the bill by making technical changes that have no substantive effect.

As affirmed by the records of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1053, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1053, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 88 Higher Education on H.B. No. 1218**

The purpose of this bill is to make emergency appropriations of approximately \$6,000,000 to the University of Hawaii system for fiscal year 1998-1999 in order for the University to fulfill its present fiscal year obligations.

Your Committee finds that the University had transferred about \$6,000,000 of its fiscal year 1997-1998 general fund encumbrances to fiscal year 1998-1999 in order to avoid a budgetary deficit of the same amount. Accordingly, the transfer increased the University's fiscal year 1998-1999 obligations.

Your Committee further finds that despite its autonomy the University has not been able to cover the deficit on its own in the intervening fiscal year. Unless legislative fiscal intervention is received, the University will again have to shift \$6,000,000 of its fiscal year 1998-1999 obligations to fiscal year 1999-2000 in order to avoid a second budgetary shortfall of the same amount. Funds are available in the state treasury, as these funds were appropriated but subsequently restricted.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1218 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 89 Transportation on H.B. No. 6**

The purpose of this bill, as received by your Committee on Transportation, is to amend Section 291-7: "Driving Under the Influence of Drugs," Hawaii Revised Statutes, by redefining the term "drug" to include any chemical substance that impairs a person's ability to safely operate a vehicle.

Your Committee finds that this amendment improves traffic safety, as people who drive while under the influence of drugs, regardless of whether or not they are prescribed substances, pose a threat to the safety of others around them. Oftentimes, prescribed drugs can affect one's physical and mental capabilities; thus, warning labels are placed upon prescription bottles. Should people choose to ignore these labels and drive while under the effects of drugs, the probability of traffic accidents occurring will increase.

This bill proposes to include under the term "drug" any chemical substance, natural or synthetic, that impairs a person's mental faculties and ability to drive safely. The fact that the drug is medically prescribed or is sold over-the-counter does not constitute as a defense against a charge under this section.

Testimonies in strong support of this bill were heard from the State Department of Transportation, the Department of the Prosecuting Attorney from the City and County of Honolulu, the Maui Police Department, the Honolulu Police Department, the Governor's Highway Safety Council, and Mothers Against Drunk Driving.

Your Committee has amended this bill by striking "into the human body, can impair" which appears in line 12 on page 1 and replacing it with "impairs." It further amended this bill by adding the phrase "which impairs that person's normal mental faculties or ability to care for the person and guard against casualty," into (b) of section 1.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 6, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 6, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Okamura, Takai and Yoshinaga.

**SCRep. 90            Transportation on H.B. No. 520**

The purpose of this bill, as received by your Committee, is to amend Sections 291C and 291C-221, Hawaii Revised Statutes, by allowing school buses to use High Occupancy Vehicle (HOV) lanes, including zipper lanes, regardless of their number of passengers.

Your Committee on Transportation finds that this measure is helpful to school buses since, oftentimes, empty school buses must go into Honolulu during rush hour to pick up students. Because these buses have only the driver on board, they do not meet the minimum three or more occupancy requirement for the zipper lane, and at times, these buses are not able to keep up with their timetables. School buses already assist in easing traffic congestion by keeping fewer cars off the road. This bill will enable school buses to perform their duties more efficiently without adding to traffic congestion.

This bill, as provided by rules in accordance with chapter 91, proposes to allow school buses to use HOV and zipper lanes, regardless of the number of occupants.

Although your Committee received testimonies which asked that this bill be held because its purpose was unclear, testimonies in support of this bill were heard from the Hawaii Transportation Association and Gomes School Bus Service, Ltd. Only the State Department of Transportation opposed this bill, stating that it is inconsistent with the intention behind having HOV lanes and zipper lanes.

Your Committee has amended this bill by changing "zip" in line 7 to "High Occupancy Vehicle," and by taking out the sentence in line 17 referring to bracketed statutory material, as there is no bracketed portion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 520, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 520, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Okamura, Takai and Yoshinaga.

**SCRep. 91            Higher Education on H.B. No. 431**

The purpose of this bill is to propose an amendment to Article X, section 6, of the Constitution of the State of Hawaii to provide the University of Hawaii with complete autonomy in all matters related to the university.

Testimony in support of the bill was received from the University of Hawaii Professional Assembly. Testimony in opposition was received from the Department of Budget and Finance. The University of Hawaii commented on the bill.

Your Committee recognizes that the University of Hawaii can achieve its multiple mission of teaching, research, and community service by being provided a substantial degree of flexibility. Your Committee also feels that an effective University of Hawaii can be a force in regenerating Hawaii's economy. Thus, Act 115, Session Laws of Hawaii 1998, was enacted by the Legislature and signed into law by the Governor last year.

Your Committee expects that the University of Hawaii will formulate an effective system of prioritizing their programs to determine whether any particular program should be modified in scope or terminated. It will be the responsibility of the university community to make analytical decisions as to program status and be accountable for these decisions as an important aspect of greater autonomy.

Your Committee expects that the University Board of Regents and administration will implement this autonomy through the delegation of responsibilities and accountability of action to the operational levels of the university system such as provosts, chancellors, deans, and directors to fully realize the benefits of creativity, rapid response to the marketplace and financial as well as educational gains.

Your Committee also expects the University of Hawaii to collaborate to achieve its goals. The Board of Regents and administration must encourage participation from every level of the organization in developing policy and procedure decisions. This would include students, faculty, and staff.

In addition, the broader community should also become participants. All levels of the university should communicate and collaborate with members of commerce and industry, other government agencies (county, state, and federal), alumni, and others. The University of Hawaii should, furthermore, place a great deal of emphasis to serving the educational needs of the Asian Pacific region. Collaboration must be both internal and external in order to achieve the highest performance level for the University.

Your Committee looks forward to the future achievements of the University of Hawaii. The awarding of autonomy is the first step. It is the university community that will now have the responsibility, authority, and accountability to reach the goal of increasing

the strength and reputation of the University of Hawaii as a premier educational institution and, therefore, becoming a major contributor to the overall economic revitalization of the State of Hawaii.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 431 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 92      Water and Land Use on H.B. No. 697**

The purpose of this bill is to require the approval of the chairperson of the Office of Hawaiian Affairs for all leases of government-owned Hawaiian fishponds.

Your Committee received testimony in support of this bill from the Office of Hawaiian Affairs and in opposition from the Department of Land and Natural Resources.

Your Committee finds that Hawaiian fishponds play an important role in Hawaiian culture, and that many cultural and education programs focus on Hawaiian fishponds. The testimony of the Department of Land and Natural Resources reflects their preference for a complete transfer of jurisdiction over Hawaiian fishponds to the Office of Hawaiian Affairs, and your Committee concurs with this view.

In order to transfer the fishponds, the parties need to address the following concerns:

1. Verification of ownership, especially for the many fishponds with uncertain or disputed title, which will require abstracts of title;
2. Legal access to government-owned fishponds;
3. Legal questions on the conveyance of publicly owned submerged lands; and
4. The definition of "government owned fishpond."

Your Committee revised the bill by:

1. Removing references to the requirement of approval of the chairperson of the Office of Hawaiian Affairs for all leases of government-owned Hawaiian fishponds;
2. Adding provisions for the transfer of title of government-owned Hawaiian fishponds;
3. Adding a section stating the purpose of the bill; 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 Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 697, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 697, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 93      Water and Land Use on H.B. No. 706**

The purpose of this bill is to change homestead lease amounts to \$1 and eliminate cash freehold agreements.

Your Committee received testimony in support of this bill from the Office of Hawaiian Affairs and a private citizen, and in opposition to this bill from the Department of Land and Natural Resources.

Your Committee finds that setting fee purchase amounts for homestead leases to \$1 would be in opposition to the Board of Land and Natural Resources' mission to uphold the Public Land Trust. In addition, your Committee further finds that the most significant problem for homestead lessees is the financing of improvements. Financial institutions are unwilling to lend to lessees on homestead land because the applicants do not own the land and the succession provision prevents the land from being used as security for the loan.

Your Committee revised the bill by:

1. Removing the provisions for setting leasehold conversion amounts to \$1 and elimination of cash freehold agreements;

2. Adding a subsection allowing the board of land and natural resources to suspend the succession provision of the lease for the duration of the loan, in the case of the addition of a mortgage;
3. Adding a section stating the purpose of the bill; 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 Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 706, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 706, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 94 Higher Education on H.B. No. 248**

The purpose of this bill is to clarify that the Attorney General may provide legal representation to the University of Hawaii to the same extent that such services are available to any other State department.

Testimony in support of the bill was received from the University of Hawaii and Dawson International, Inc.

Your Committee finds that the "UH Autonomy/Flexibility Act," Act 115, Session Laws of Hawaii 1998, which authorized the University to retain its own legal counsel, contains language which has been interpreted to preclude the Department of the Attorney General from providing legal services to the University. This bill clarifies that it was not intended that the Department of the Attorney General be prohibited from rendering legal service to the university.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 248 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura and Santiago.

**SCRep. 95 Higher Education on H.B. No. 427**

The purpose of this bill is to appropriate funds for higher education outreach programs on the neighbor islands, the West Hawaii University Center, and master's degree programs at the University of Hawaii at Hilo.

Testimony in support of the bill was submitted by the Office of the Chancellor for Community Colleges of the University of Hawaii. The Office of the Vice Chancellor for Academic Affairs of the University of Hawaii at Hilo testified in support of the overall concept of the bill.

Your Committee finds that, as the state's population shifts to the neighbor islands, more higher education opportunities are needed in those locations. This bill takes a step toward creating those opportunities.

The bill has been amended by:

- (1) Adding an unspecified appropriation for the Hawaii community college; and
- (2) Making technical, nonsubstantive revisions for the purpose of style.

Your Committee defers to the Finance Committee to determine, in the perspective of the entire state budget, the specific appropriations for this bill. Your Committee recommends, however, the following:

(1)	Maui community college outreach programs		
	FY 1999-2000	\$209,488	4 FTE positions
	FY 2000-2001	\$221,976	4 FTE positions
(2)	Kauai community college outreach programs		
	FY 1999-2000	\$70,000	0 FTE positions
	FY 2000-2001	\$40,000	0 FTE positions
(3)	Hawaii community college Strategic enrollment management program		
	FY 1999-2000	\$138,681	6 FTE positions
	FY 2000-2001	\$168,408	6 FTE positions
(4)	Hawaii community college Island-wide distributed college plan		
	FY 1999-2000	\$138,282	1 FTE position



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	FY 2000-2001	\$363,502	3 FTE positions
(5)	West Hawaii University center		
	FY 1999-2000	\$325,960	2 FTE positions
	FY 2000-2001	\$214,772	2 FTE positions
(6)	University of Hawaii at Hilo's master's degree programs		
	FY 1999-2000	***fill in amounts***	
	FY 2000-2001	***fill in amounts***	

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 427, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 427, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 96      Health on H.B. No. 1151**

The purpose of this bill is to make an emergency appropriation of \$31,928,758 for the child and adolescent mental health division to provide essential services associated with the Felix v. Cayetano consent decree.

The Department of Health submitted testimony 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 is in accord with the intent and purpose of H.B. No. 1151 and recommends that it pass Second Reading and be referred to the Committee on Education.

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

**SCRep. 97      Health on H.B. No. 1145**

The purpose of this bill is to make an emergency appropriation of \$1,906,336 to address the retroactive payment of additional emergency medical services contract costs resulting from increases in collective bargaining costs for the emergency medical ambulance personnel of the City and County of Honolulu and within the counties of Maui and Kauai.

The Department of Health submitted testimony 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 is in accord with the intent and purpose of H.B. No. 1145 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 98      Health on H.B. No. 1149**

The purpose of this bill is to provide an emergency appropriation to ensure the systems and the equipment of the Hawaii Health Systems Corporation are Year 2000 compliant, as well as to settle various workers' compensation costs.

The Hawaii Health Systems Corporation and the Hawaii Government Employees Association submitted testimony in strong support of the measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1149 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 99      Health on H.B. No. 1663**

The purpose of this bill is to assign responsibility and clarify the duties of the Department of Health with respect to any significant increase in or cluster of disease or illness at a school or in a particular area that is suspected to be related to environmental contamination.

Life of the Land and numerous concerned community residents submitted testimony in support of this measure. The Department of Health supported the intent of the measure but indicated the need for additional funding.

Your Committee finds that environmental health hazards due to contamination of soil or water supplies from the previous use of pesticides or other toxic products may remain undetected until significant clusters of disease are identified and their causal connection established.

Existing statutes related to this issue were created over a generation before new residential developments were established on former agricultural land. As a result, your Committee finds that the law should be amended to reflect these concerns.

Your Committee respectfully requests that the Committee on Education consider the concerns expressed by the Department of Health regarding the need for additional staffing and funding in order to comply with the mandates of this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1663 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee.

**SCRep. 100 Health on H.B. No. 327**

The purpose of this measure is to add marriage and family therapists for the purposes of mental health and alcohol and drug abuse treatment insurance benefits.

The Department of Health, the Hawaii Counseling and Education Center, the Samaritan Counseling Center of Hawaii, and various private individuals provided testimony in support of the measure. The Insurance Commissioner of the Department of Commerce and Consumer Affairs deferred to the Department of Health.

The Hawaii Psychological Association submitted testimony against the measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 327 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 101 Health on H.B. No. 622**

The purpose of this measure is to change mandated insurance coverage by increasing the frequency of mammogram screening allowable to:

- (1) One baseline mammogram for women thirty-five to thirty-nine years of age;
- (2) An annual mammogram for women forty years of age and older; and
- (3) A woman of any age with a history of breast cancer or whose mother or sister has had a history of breast cancer, upon the recommendation of the woman's physician.

The Department of Health, the Insurance Division of the Department of Commerce and Consumer Affairs, the Hawaii State Commission on the Status of Women, and the American Cancer Society submitted testimony in strong support of this measure. Kaiser Permanente also submitted testimony posing no objections to the changes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 622 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 102 Health on H.B. No. 1065**

The purpose of this bill is to establish a health insurance revolving fund for the examination and regulation of mutual benefit societies and health maintenance organizations within the State.

The Insurance Division of the Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, and Kaiser Permanente testified in support of the measure. State Farm Insurance Companies, while posing no objection to the intended purpose of the fund, expressed fundamental opposition to the creation of a special fund to address this need.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1065 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 103      Health on H.B. No. 1068**

The purpose of this measure is add a quarterly filing requirement for certificates of authority for health maintenance organizations. This amendment will allow the Insurance Division of the Department of Commerce and Consumers Affairs to obtain necessary financial information on a more timely basis.

The Insurance Division of the Department of Commerce and Consumer Affairs submitted testimony in strong support of the proposed changes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1068 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 104      Health on H.B. No. 1147**

The purpose of this measure is to add human resource directors to the list of positions at Hawaii Health Systems Corporation which are exempt from chapters 76, 77, and 89, HRS to allow for greater flexibility and to assist in attracting more qualified individuals for these positions.

The Hawaii Health Systems Corporation testified in support of the measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1147 and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee.

**SCRep. 105      Health on H.B. No. 1275**

The purpose of this measure is to require all hospitals to develop and maintain a security plan to aid in the identification of factors leading to aggression and violence, and management of any violent disturbances. This bill also proposes to require the reporting of any criminal assault on on-duty hospital personnel within forty-eight hours of the incident.

The Hawaii Nurses' Association submitted testimony in strong support of the bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1275 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 106      Health and Human Services and Housing on H.B. No. 326**

The purpose of this bill is to require insurance coverage for medical foods and low-protein modified food products required in the treatment of inherited metabolic diseases.

The Department of Health, the Department of Commerce and Consumer Affairs, Kapiolani Medical Center, the American Academy of Pediatrics, and concerned members of the community submitted testimony in support of this measure. Kaiser Permanente, and State Farm Insurance Companies submitted testimony in opposition to this measure.

Your Committees respectfully request that the Committee on Consumer Protection and Commerce further refine the schedule of metabolic diseases to be included in the coverage provided by specifying those diseases that shall be covered. Your Committees further request that a comprehensive schedule of those foods that are to be purchased without a prescription in the normal course of business be developed with the assistance of those supporting this measure.

The Department of Human Services and the Hawaii Medical Services Association submitted comments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 326 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 107 Health on H.B. No. 547**

The purpose of this bill is to increase the numbers of organ and tissue donors in Hawaii by amending Hawaii's Uniform Anatomical Gift Act to, among other things, require all acute care hospitals at or near the time of every death to report to the Organ Procurement Organization (OPO) to determine suitability for organ donation of the individual in question.

The Organ Donor Center of Hawaii, the National Kidney Foundation of Hawaii, the Healthcare Association of Hawaii, the Hawaii Nurses' Association, the St. Francis Medical Center, and several individuals submitted testimony in support of this measure. The Department of Health (DOH) and Kaiser Permanente submitted testimony in support of the intent of this measure. One individual submitted comments.

Your Committee finds that this measure will put into place mechanisms to ensure appropriate education and mandates with the intent to increase organ donation within the State.

Your Committee has amended this measure by:

- (1) Deleting the provision prohibiting family members from overriding the donor's wishes when evidenced by a document of gift because organ donation is an option that families must decide upon based on what is right for them;
- (2) Deleting the provision that supports the wishes of the person who has listed "organ donation" on the person's driver's license regardless of another person's wishes because it is currently standard practice to obtain consent from the donor's family;
- (3) Charging the OPO to conduct annual death reviews instead of DOH;
- (4) Deleting the assessment of a fine for noncompliance;
- (5) Specifying the composition of the Advisory Committee on Anatomical Gifts and making it:
  - (A) Promote educational programs to increase awareness of organ donation needs; and
  - (B) Engage in any other information, educational, and promotional efforts that will help to increase organ, tissue, and eye donation;
- (6) Allowing organ, tissue, and eye recovery agencies or an OPO twenty-four hour telephone access to the driver's license database information;
- (7) Specifying how moneys from the Hawaii Organ and Tissue Education Special Fund will be apportioned;
- (8) Establishing a voluntary fee to be deposited into the Hawaii the Organ and Tissue Education Special Fund; and
- (9) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 547, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 547, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 108 Health on H.B. No. 749**

The purpose of this bill is to establish a licensing program for dietitians that:

- (1) Restricts the use of the title "licensed dietitian" to those who meet with specified educational practical, and other qualifications; and
- (2) Empowers the Director of Commerce and Consumer Affairs to discipline licensed dietitians for cause.

Your Committee received voluminous testimony in strong support of this measure from persons representing the full range of health care professionals working on Oahu and the neighbor islands, including doctors, nurses, dietitians, health care administrators, and medical researcher/professors. Four nutrition scientists and clinical nutritionists submitted testimony in opposition.

Your Committee believes that this bill will protect the public health and enhance the welfare of the community by ensuring that the public receives safe, effective dietetic care, by adding to public confidence in dietitians, and by increasing the credibility and expertise of licensed dietitians practicing in the State. The following amendments suggested by proponents of the bill have been incorporated into the measure by your Committee:

- (1) Restrict the title regulated under this Act to that of "licensed dietitian", by substituting "licensed dietitian" for "dietitian", where appropriate;
- (2) Specify that the practice regulated by this measure is dietetic practice, by replacing the term nutrition with "dietetic" or "dietetics", where appropriate;
- (3) Delete the definition of "medical nutrition therapy", a term that is not used in the bill;
- (4) Include the definition of "dietetics practice";
- (5) Exempt from required licensure, a person whose work overlaps with the practice of dietetics but is within the scope of practice or the duties of the person's profession, provided the person does not purport to be a licensed dietitian;
- (6) Provide that validation of the academic degrees of license applicants educated outside the United States and its territories must be performed by an agency authorized to validate foreign degrees;
- (7) Change the first and subsequent triennial renewal dates of licenses from December 31st of the applicable year, to June 30;
- (8) Change the effective date of the Act from January 1, to July 1, 2000; and
- (9) Make other technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 749, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 749, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 109 Health on H.B. No. 1066**

The purpose of this bill is to:

- (1) Increase fines for violation of the insurance statutes and rules;
- (2) Clarify the licensing provisions for fraternal benefit society agents; and
- (3) Require policies provided by mutual benefit societies and health maintenance organizations to meet certain Flesch Reading Ease tests.

Your Committee received testimony in support of the measure from representatives of the Department of Commerce and Consumer Affairs and the Hawaii Medical Service Association.

In order to allow mutual benefit societies and health maintenance organizations time to develop new procedures or systems to comply with this measure, your Committee has amended this measure by:

- (1) Changing the effective dates of the sections concerned with the Flesch Reading Ease tests to January 1, 2000; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1066, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1066, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 110 Health on H.B. No. 1664**

The purpose of this measure is to implement the recommendations of the Patient Rights and Responsibilities Task Force in order to strengthen the Hawaii Patient Bill of Rights and Responsibilities Act.

Testimony in support of the measure was received by your Committee from representatives of the Department of Commerce and Consumer Affairs, the Department of Health, the Healthcare Association of Hawaii, the Hawaii Health Information Corporation, the Hawaii Medical Association, the Hawaii Nurses' Association, the Hawaii Medical Service Association, the Legal Aid Society of Hawaii, the American Academy of Pediatrics, the Hawaii Federation of Physicians & Dentists and the University Health Alliance. A representative of the Department of Labor submitted testimony suggesting an amendment to the measure.

Your Committee finds that this bill would serve to address important issues to ensure the protection of consumer rights. However, your Committee notes that the proposed addition of new definitions to the workers' compensation law would be inappropriate, as the terms defined do not appear in that chapter.

Your Committee believes that this measure is still a work in progress which will benefit from further discussion and possible further revisions by the Committee on Consumer Protection and Commerce.

Your Committee has amended this measure by:

- (1) Deleting the proposed new definitions for the workers' compensation law; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1664, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1664, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 111 Health on H.B. No. 1150**

The purpose of this bill is to alleviate mental illness and restore competency while protecting the rights of patients by authorizing the Department of Health (DOH) to adopt administrative rules to establish an administrative process allowing involuntary medication of psychiatric patients institutionalized at the Hawaii State Hospital.

DOH and the Mental Health Association in Hawaii submitted testimony in support of this measure. Nami Oahu submitted testimony in support of the intent of this measure. The Office of the Public Defender, the Hawaii Psychiatric Medical Association, and an individual submitted comments.

Your Committee is concerned that this measure, as written, excludes consumers from contributing to the fullest extent possible in decisions about their care.

Your Committee is also concerned that this measure delegates the task for formulating the administrative procedures to DOH and uses a review panel, not the courts, to adjudicate the propriety of an involuntary medication order. S.B. No. 3228, S.D. 1, H.D. 1, C.D. 1, Regular Session of 1998, contained comprehensive procedures as to the manner in which involuntary medication may be authorized. However, this measure was vetoed by the Governor.

Your Committee believes that the Senate Bill may be a good start in establishing a procedure concerning involuntary medication, and suggests that subsequent committees consider using this language.

Your Committee recognizes the merit of this bill, and has amended this measure by:

- (1) Specifying the types of patients the rules will affect;
- (2) Clarifying the purpose of the rules;
- (3) Strengthening appeal procedures; 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 is in accord with the intent and purpose of H.B. No. 1150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1150, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 112 Health and Human Services and Housing on H.B. No. 1367**

The purpose of this bill is to provide a broad continuum of services for the prevention of child abuse. Specifically, this bill appropriates funds to:

- (1) Establish one and one-half positions with the Department of Health to assure continuous implementation of the child death review teams;
- (2) Establish three deputy attorney general positions for the Family Law Division;
- (3) Establish a one-half time physician position for ongoing consultation and forensic review of cases to prevent further child abuse and neglect;

- (4) Fill eleven vacant public health nursing positions;
- (5) Increase funding for hospital-based risk screening services for "at-risk" families;
- (6) Increase funding for substance abuse treatment services to assist pregnant women, mothers, and their families, who are involved in the child protective services system.
- (7) Establish additional facilities to deliver diversion services and child protective services;
- (8) Increase the availability and strengthen the quality of family foster care and adoptive services; and
- (9) Broaden the scope of psychosocial support services available to families.

The American Academy of Pediatrics, the Neighborhood Place of Kona, Blueprint for Change, HFSC Healthy Start, and Hawaii Family Support Center submitted testimony in support of this bill. The Departments of Human Services and Health testified in support of the bill, provided that it does not replace or adversely impact the priorities established in the Executive Budget.

Your Committees find that child abuse is a complex problem with many causes. To act upon the Legislature's commitment to the prevention of child abuse, your Committees further find that successful strategies of prevention will require addressing a wide range of needs.

Your Committees have amended this bill by substituting the appropriated amounts with \$1 for the purpose of further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1367, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1367, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees except Representatives Stegmaier, Leong and McDermott.

**SCRep. 113 Education on H.B. No. 1086**

The purpose of this bill is to amend the requirement that fifty percent of each school day be devoted to oral expression, written composition, and spelling of the English language.

The Department of Education (DOE) testified in support of this bill.

Your Committee finds that the statutory requirement that not less than fifty per cent of the study and instruction in each school day be devoted to oral expression, written composition, and spelling, hampers DOE's ability to provide a varied instructional program that helps students learn, grow, and achieve.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1086 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 Okamura.

**SCRep. 114 Higher Education on H.B. No. 254**

The purpose of this bill is to effectuate its title.

H.B. No. 254 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of this bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the action to report out H.B. No. 254, as amended herein, and recommends that it be recommitted to the Committee on Higher Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 254, H.D. 1.

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

**SCRep. 115 Education on H.B. No. 402**

The purpose of this bill is to effectuate its title.

H.B. No. 402 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the action to report out H.B. No 402, as amended herein, and recommends that it be recommitted to the Committee on Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No 402, H.D. 1.

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

**SCRep. 116 Economic Development and Business Concerns on H.B. No. 376**

The purpose of this bill is to enable the Public Utilities Commission (PUC) to more effectively handle its regulatory responsibilities by:

- (1) Creating two panels within the PUC as follows: one to be assigned jurisdiction over the regulation of public telecommunications services and the other to be assigned jurisdiction over all other utility matters; and
- (2) Double the number of PUC commissioners from three to six.

Hawaiian Electric Company, Inc., while supporting the intent of the bill, could not support increasing the number of the PUC commissioners when the State is having difficulty meeting existing needs. The PUC, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, GTE, AT&T, Kauai Electric, and the Gas Company opposed this bill.

Based on the testimony presented, your Committee finds that the creation of two separate panels in the PUC will create unnecessary duplication and is not the most cost-effective means of addressing the growing needs of the PUC.

Further, your Committee has been made aware that it may not be in the best public interest to continue regulating motor carriers. For one thing, the motor carrier industry is not a naturally monopolistic industry. In addition, federal law governs motor carrier activity and, at the state level, the Department of Transportation regulates motor carrier safety.

As a result, your Committee finds that removing the regulation of motor carriers from the scope of PUC responsibilities may be a more effective way of helping the PUC conduct its business more efficiently. Accordingly, your Committee has amended this bill by deleting its substance and instead inserting provisions that would deregulate all state-regulated aspects of motor carriers, except for the regulation of motor carrier safety, which will continue to be regulated by the Department of Transportation.

Your Committee recognizes the complex nature of the existing motor carrier law and that it encompasses many considerations, such as the financial viability of the motor carrier, sufficient bond and insurance coverage, and motor carrier safety. As such, your Committee requests subsequent committees to consider whether these issues are adequately addressed.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 376, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 376, H.D. 1, and be referred to the Committee on Transportation.

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

**SCRep. 117 Agriculture on H.B. No. 982**

The purpose of this bill is to delete references to the management of aquaculture programs under the Department of Land and Natural Resources (DLNR) by amending sections 26-15(b) and 171-3, Hawaii Revised Statutes.

The Department of Agriculture (DOA) submitted testimony in support of this measure.

Your Committee finds that Act 176, Session Laws of Hawaii 1998, made DOA the lead agency for aquaculture by transferring the Aquaculture Development Program and the Hawaii Aquaculture Advisory Council from DLNR to DOA. This bill is a "housekeeping" measure that makes appropriate statutory amendments to delete references to the management of aquaculture program under DLNR.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 982 and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee.

**SCRep. 118 Agriculture on H.B. No. 334**



The purpose of this bill is to strengthen and ensure the continued viability of the State's agriculture industry by appropriating funds to assist in maintaining current minimum levels of agricultural research and development at the Hawaii Agriculture Research Center (HARC).

Testimony in support of the measure was received from HARC, the Dean of the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Farm Bureau, the Chair of Central Maui Soil and Water Conservation District, Hawaiian Commercial & Sugar Company, Aloha Farms, Inc., Kauai Coffee Company, Gay & Robinson, Inc., and the Pineapple Growers Association of Hawaii. The Department of Agriculture indicated its support for the bill so long as the bill's passage does not replace or adversely affect the priorities in its Executive Biennium Budget.

Your Committee finds that HARC has been at the forefront of agricultural research and development by creating new products for Hawaii's sustainable agricultural commodities. These products include modified plants with disease and pest resistance (papaya ring spot disease resistance), improved physical characteristics for harvesting methods (coffee for mechanized harvesting), improved quality characteristics (sweeter pineapples), and plants with higher yields (more sugar per acre). It is your Committee's belief that continued funding for HARC activities will result in providing essential research services for the State's agriculture industry.

Upon consideration, your Committee has amended this bill by:

- (1) Deleting the appropriation for fiscal year 2000-2001; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 334, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 334, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 119      Agriculture on H.B. No. 948**

The purpose of this bill is to appropriate funds to implement the agricultural water use and development plan.

The Hawaii Agriculture Research Center and the Hawaii Farm Bureau Federation submitted testimony in support of the bill. The Department of Agriculture (DOA) also indicated its support for the bill so long as the bill's passage does not replace or adversely affect the priorities in its Executive Biennium Budget.

Your Committee recognizes that this bill will allow for the implementation of the agricultural water use and development plan. Act 101, Session Laws of Hawaii 1998, granted this authority to the DOA but failed to include funding for implementation of the plan.

Your Committee has amended the measure by:

- (1) Extending the appropriations relating to the research and data-gathering of existing systems and the existing agricultural land use and irrigation water requirements, to the islands of Lanai and Molokai; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 948, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 120      Public Safety and Military Affairs on H.B. No. 156**

The purpose of this bill is to authorize:

- (1) The Governor to proceed with the development of correctional facilities to reduce prison overcrowding, subject to the need for a certificate of participation if private funds are used; and
- (2) The issuance and appropriation of general obligation bonds to construct a correctional facility on the island of Hawaii.

The Department of Public Safety and the Department of the Prosecuting Attorney of the City and County of Honolulu supported this measure. The United Public Workers supported the intent of the bill. The Department of Budget and Finance submitted comments.

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

- (1) Require the private developer to provide proof that the cost of private funds will not exceed the cost of public funds;

- (2) Address the need for:
  - (a) Medium security beds and program space; and
  - (b) Female beds;
- (3) Require the private developer to include in the proposals schematic plans and a fixed dollar amount;
- (4) Specify parameters by which the private developer must notify the public and gain community concurrence;
- (5) Eliminate the general obligation bond authorization and appropriation; and
- (6) Make technical, nonsubstantive changes for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 156, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 121 Human Services and Housing and Health on H.B. No. 169**

The purpose of this bill is to increase the availability of private long-term care (LTC) insurance policies by, among other things:

- (1) Requiring employers to offer LTC insurance to their employees; and
- (2) Amending existing LTC insurance statutes to provide for desirable minimum underwriting requirements.

The Executive Office on Aging, the Hawaii State Commission on the Status of Women, the American Association of Retired Persons, the Policy Advisory Board for Elder Affairs, the Hawaii Coalition for Affordable Long-Term Care, Faith Action for Community Equity, the Hawaii County Office of Aging, the Department of Community Services Elderly Affairs of the City and County of Honolulu, and one individual submitted testimony in support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure.

The American Council of Life Insurance and one individual submitted testimony in opposition to this measure. The Department of Commerce and Consumer Affairs and the Hawaii State Association of Life Underwriters submitted comments.

Your Committees find that currently, the most equitable and efficient manner of providing universal LTC is to increase the availability of private LTC insurance. As a matter of social policy, your Committees also believe that the State should require LTC insurance policies to offer specified LTC service components.

Your Committees are aware of the concern that this measure, as written, may offer substandard policies compared to the policies being offered across the nation, and respectfully requests the Committee on Consumer Protection and Commerce to review the National Association of Insurance Commissioners' LTC Insurance Model Act and determine how this measure will meet national standards.

Your Committees have amended this measure by:

- (1) Deleting all references to policies issued after October 14, 1998;
- (2) Offering individual LTC insurance policies an option to provide a combination of LTC services;
- (3) Providing that employers and others offering group LTC insurance offer one, instead of two or more, group LTC insurance policy;
- (4) Adding another new section to Article 10A of Chapter 431, Hawaii Revised Statutes, relating to the availability of policies;
- (5) Specifying that a policy purchased by a person who terminates employment is deemed to be portable;
- (6) Correcting the reference to "brain diseases" by replacing it with the term "brain disorders";
- (7) Deleting the exemption that no adjustments will be made to any age group sixty-five or older;
- (8) Replacing the term "adult residential care homes" with "adult residential homes" to include Adult Foster Family Homes;
- (9) Adding a severability clause; and

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

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 169, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 169, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representative Yamane.

**SCRep. 122 Human Services and Housing and Health on H.B. No. 170**

The purpose of this bill is to adopt the federal deduction for long-term care expenses.

Your Committees received testimony in support of this measure from representatives of the Department of Taxation, the Department of Commerce and Consumer Affairs, the Executive Office on Aging, the Hawaii State Association of Life Underwriters, State Farm Insurance Companies, the American Council of Life Insurance, the Hawaii Medical Service Association, the Hawaii Long Term Care Association and the Policy Advisory Board for Elder Affairs.

Your Committees find that this measure will provide relief to those unfortunate taxpayers burdened with expensive medical bills for themselves and their dependants for long-term health care expenses. The measure will also simplify the tax system by bringing this aspect of the Hawaii tax code into conformity with the Internal Revenue Code.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 170 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representative Yamane.

**SCRep. 123 Human Services and Housing and Health on H.B. No. 174**

The purpose of this bill is to appropriate funds for the Children's Health Insurance Program (CHIP).

The Hawaii State Primary Care Association, the Hawaii Chapter of the American Academy of Pediatrics, and Na Loio submitted testimony supporting the bill. The Department of Human Services testified in support of the bill's intent. The Department of Health supported the intent of the bill, as long as it does not replace the priorities established in the Executive Budget.

Your Committees find that CHIP is a critical program allowing Hawaii an opportunity to expand health care coverage to low-income children. Your Committees recognize that additional measures are under consideration to fund CHIP from other sources, for example, the Tobacco Settlement Fund. Your Committees, however, express their commitment to fund CHIP, even if the source of funding must come from the general fund.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 174 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Yamane.

**SCRep. 124 Human Services and Housing on H.B. No. 545**

The purpose of this bill is to provide a continuum of long-term care services by appropriating funds to continue the design and implementation of a managed long-term care demonstration project.

The Hawaii Long-Term Care Association, AlohaCare, the Waimanalo Health Center, and two individuals submitted testimony in support of this measure. The Department of Human Services (DHS) submitted testimony in support of the intent of this measure.

In Act 116, Session Laws of Hawaii, 1998, the Legislature appropriated \$40,000 to DHS to develop a Medicaid Long-Term Care Demonstration Project that:

- (1) Included the preparation of a waiver application to start up the demonstration project;
- (2) Included a demonstration managed care program centering on home- and community-based services; and
- (3) Integrated preventive, primary, acute care, and long-term care services under a capitated structure with a strong emphasis on home- and community-based services.

Your Committee is concerned that this original proposal is too narrow in scope and will, therefore, be pursuing a provision to provide more flexibility for DHS to encumber and expand current funds.

Your Committee suggests that DHS set up a time frame to establish the demonstration project, and recommends that a Request for Proposal to hire a consultant for the planning stage be issued immediately. Further the consultant's work should be completed by July 1, 1999. Furthermore, your Committee suggests that the actuarial work be completed by December 31, 1999, and a contract be awarded by July 1, 2000.

Your Committee has amended this measure by:

- (1) Specifying that the funds will be used to develop a planning document for the design and implementation of a Medicaid Managed Long-term Care Demonstration Project instead of Phase III of the QUEST program;
- (2) Providing that funding be matched on a dollar-for-dollar basis by the federal government; 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 545, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 545, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 125 Human Services and Housing on H.B. No. 549**

The purpose of the bill is to appropriate funds to establish a long-term care volunteer ombudsman program.

Your Committee received testimony in support of this measure from representatives of Executive Office on Aging, the Hawaii Long Term Care Association, and the State Legislative Committee of the American Association of Retired Persons.

Your Committee finds that adding a cost-efficient volunteer component to the Long Term Care Ombudsman Program is an excellent proposal, of particular benefit to residents of care facilities on the neighbor islands.

Your Committee has amended the measure by:

- (1) Changing the amount of the appropriation to \$1; 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 549, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 126 Human Services and Housing on H.B. No. 1119**

The purpose of this bill is to:

- (1) Permit the Director of the Department of Human Services (DHS), rather than the Governor, to appoint members to the Blueprint Pilot Project coordinating committee (committee);
- (2) Permit the Director to expand the size of the committee;
- (3) Allow DHS to share information with the Neighborhood Places, provided that shared information remains confidential in accordance with section 350-1.4, Hawaii Revised Statutes; and
- (4) Extend the Act that created the Blueprint Pilot Project to June 30, 2002.

Testimony was received in support of this bill from the Department of Human Services, the Office of Youth Services, the Neighborhood Place of Kona, Blueprint for Change, and Communities in Schools - Hi Project of the Y.M.C.A.

Your Committee finds that, to carry out the Blueprint Pilot Project's recommendations, more time and work is needed to educate, initiate, coordinate, and integrate existing and future services relating to child welfare. Your Committee also finds that allowing the director of DHS to appoint members to and increase the size of the committee will allow for a broader representation and cross-section of concerned and knowledgeable community members throughout the State to participate in the process.

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

Signed by all members of the Committee except Representative Santiago.

**SCRep. 127 Human Services and Housing on H.B. No. 546**

The purpose of this bill is to:

- (1) Make the referral of a person to an unlicensed home health agency a petty misdemeanor;
- (2) Make the referral of a person to a home health agency known to be unlicensed a misdemeanor; and
- (3) Make the operation of an unlicensed home health agency a class C felony.

The Department of Health and Solutions Surgical Center commented on the bill.

Your Committee finds that licensing requirements ensure quality home health agency services. By penalizing the operation of and the referral to unlicensed agencies, your Committee further finds that enforcement of the licensing requirements will be enhanced and recipients of home health agency services will benefit.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 546 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 128 Human Services and Housing on H.B. No. 280**

The purpose of this bill is to mandate that interest realized from the account into which all child support payments are deposited prior to disbursement shall be used to pay penalties to custodial parents and improve client services provided by the Child Support Enforcement Agency.

Current law allows for the interest income to be deposited into the state treasury to the credit of the general fund. This measure would improve the current system involving issuance of child support payments and provide better services for clients.

The Legal Aid Society of Hawaii submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 280 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 129 Human Services and Housing on H.B. No. 1121**

The purpose of this bill is to make permanent the provision on Temporary Assistance for Needy Families and food stamp assistance for individuals convicted of controlled substance abuse-related felonies, as set forth in Act 128, Session Laws of Hawaii 1997.

The Department of Human Services, the Department of Health, and the Hawaii Substance Abuse Coalition submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1121 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 130 Human Services and Housing on H.B. No. 1125**

The purpose of this bill is to clarify and standardize provisions relating to the recovery of medical assistance payments by the Department of Human Services (DHS) in third-party liability situations.

Specifically, this bill:

- (1) Clarifies and standardizes DHS's reimbursement rights in third-party liability situations;

- (2) Gives DHS discretion to settle or compromise the amount of reimbursement rights in liability situations;
- (3) Clarifies that liens and reimbursement disputes are to be resolved through the administrative hearing process; and
- (4) Allows service of liens by certified mail, in addition to registered mail.

DHS submitted testimony in support of this measure. Consumer Lawyers of Hawaii submitted testimony in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1125 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 131 Human Services and Housing on H.B. No. 1370**

The purpose of this bill is to:

- (1) Increase the conveyance tax from \$.10 to \$.20 per \$100; and
- (2) Redistribute the revenues collected by the conveyance tax to include a 10 percent distribution to the Housing and Community Development Corporation for homeless shelter programs and 20 percent to the Bureau of Conveyances.

Health Care for the Homeless Project, Catholic Charities of the Diocese of Honolulu, Institute for Human Services, Inc., the Affordable Housing and Homeless Alliance, and the Legal Aid Society of Hawaii testified in support of this bill. The Governor's Office, the Housing and Community Development Corporation of Hawaii, and the Board of Natural Resources submitted testimony supporting the intent of the bill. The Hawaii Association of Realtors testified opposing the bill. The Department of Taxation commented on the bill.

Your Committee finds that homelessness continues to be a problem that must be addressed. This bill will provide additional resources for programs to provide shelters for the homeless.

Your Committee respectfully requests that in their deliberations on this bill, the Committees on Energy and Environmental Protection, Water and Land Use, and Finance consider maintaining the bill's allocation of revenues to homeless shelter programs, even if the conveyance tax rate is not increased.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1370 and recommends that it pass Second Reading and be referred to the Committees on Energy and Environmental Protection and Water and Land Use.

Signed by all members of the Committee.  
(Representatives Stegmaier, McDermott and Pendleton voted no.)

**SCRep. 132 Higher Education on H.B. No. 1661**

The purpose of this bill is to provide funds for plans, design, and construction for a soccer and track & field stadium (stadium) at the University of Hawaii at Manoa (UH-Manoa) lower campus.

The UH-Manoa Assistant Athletics Director submitted testimony in support of the measure. The UH-Manoa Senior Vice President for Administration submitted comments on the measure, and indicated that land use planning for UH-Manoa's lower campus has been initiated and a preliminary report is expected by late fall 1999, which will help to determine the feasibility of the stadium, including program needs, structural mass, and design guidelines, and identify space, parking, and utility infrastructure constraints.

Upon consideration, your Committee has amended this bill by:

- (1) Deleting the appropriation funds for plans and construction of the stadium;
- (2) Increasing to \$1,000,000, the appropriation funds for the design of the stadium; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1661, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Okamura and Santiago.

**SCRep. 133      Health on H.B. No. 172**

The purpose of this bill is to authorize the Department of Health to license hospice service agencies.

The Department of Health, the Executive Office on Aging, Hospice Hawaii, the Hawaii Nurses Association, the Healthcare Association of Hawaii, Hospice of Hilo, Hospice Maui, Kauai Hospice, North Hawaii Hospice, Inc., St. Francis Health Service Network, Hawaii Right to Life, and concerned members of the community supported this measure.

Your Committee has amended this measure by:

- (1) Deleting redundant criteria relating to licensing of hospices;
- (2) Defining "hospice home" as any facility operated by a licensed hospice service agency providing twenty-four hour living accommodations to five or fewer unrelated persons admitted to a hospice program of care;
- (3) Amending the definition of "hospice" to include hospice homes;
- (4) Allowing hospice homes in residential areas; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 172, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 172, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 134      Tourism on H.B. No. 221**

The purpose of this bill is to require the Hawaii Tourism Authority (HTA) to develop and complete a long-range policy plan to the Legislature by January 1, 2000. The bill also specifies that the strategic tourism marketing plan implement the recommendations of the long-range policy plan.

The HTA testified in support of this bill and indicated that it is in the process of preparing a Tourism Strategic Plan that will include short-term strategies for the period 1999-2001; long-term strategies for the period 2001-2005; product development and diversification; and infrastructure and marketing issues related to the future development of Hawaii's visitor industry.

Your Committee has amended this bill by:

- (1) Requiring HTA to update the strategic tourism marketing plan every two years, rather than every three years; 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 Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 221, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 221, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Morihara and Saiki.

**SCRep. 135      Tourism on H.B. No. 1013**

The purpose of this bill is to provide emergency funding for the Tourism Special Fund (Fund), which was established by Act 156, Session Laws of Hawaii (SLH) 1998, for use by the Hawaii Tourism Authority (HTA).

The HTA and the Hawaii Hotel Association submitted testimony in strong support of this measure.

Your Committee notes that the HTA was to be funded through the Fund effective January 1, 1999. However, appropriation for the Fund was inadvertently omitted from legislation passed during the 1998 Regular Session. Your Committee finds that while Act 156, SLH 1998, established the Fund, neither Act 116, SLH 1998 (Supplemental Appropriations Act of 1998), nor Act 156, SLH 1998, appropriated moneys for expenditure by HTA.

Not until an appropriation is passed by the Legislature this session can HTA, by law, encumber or expend moneys from the Fund for its programs during the second half of the 1998-1999 fiscal year. This bill is necessary to accomplish this purpose.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1013 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Morihara and Saiki.

**SCRep. 136      Tourism on H.B. No. 873**

The purpose of this bill is to encourage the development of amusement and theme parks by providing assistance to developers or such parks including negotiation of leases and providing economic and tax incentives.

The Department of Business, Economic Development, and Tourism, Pacific Resource Partnership, and Menehune Magic testified in support of the bill. The Department of Land and Natural Resources, the Hawaii Tourism Authority, and the Hawaii Coalition Against Legalized Gambling commented on the measure. The Department of Taxation testified against the bill because of the disparate treatment of taxable entities, the fact that theme parks already exist and others are in the planning stages making the tax exemption unnecessary, and the fact that only the Department of Taxation has the authority to waive any form of taxation but is not included in the negotiating process for developers.

Your Committee finds that encouraging the development of amusement and theme parks will provide additional attractions not only for first time visitors but for repeat visitors looking for a new experience while in Hawaii.

Upon further consideration, your Committee has amended this measure by specifically providing for an exemption from the general excise tax for construction costs for the development of amusement or theme parks. This exemption will be available for ten years. In addition, a definition for "amusement or theme park" was provided.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 873, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 873, H.D. 1, and be referred to the Committee on Economic Development and Business Concerns.

Signed by all members of the Committee except Representatives Luke, Morihara and Saiki.

**SCRep. 137      Economic Development and Business Concerns on H.B. No. 814**

The purpose of this bill is to authorize the Governor to provide tax breaks and land lease incentives to assist high technology industries that employ people in Hawaii. This bill will be repealed two years from its effective date.

Testimony in support of the intent of the measure was received from the Department of Business, Economic Development, and Tourism, the Department of Taxation, and the High Technology Development Corporation.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 814 and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representatives Abinsay, Chang, Ito and Morihara.

**SCRep. 138      Agriculture on H.R. No. 8**

The purpose of this resolution is to urge all independent diversified agriculture farmers to work together through their respective commodity advisory groups to promote, market, distribute, and export Hawaii-made products and Hawaii-grown crops.

Testimony in support of the measure was received from the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Cattlemen's Council, Inc., the Commodity Advisory Group, the Hawaii Crop Improvement Association, and the Hawaii Aquaculture Association. The Department of Agriculture testified in support of this measure but felt the intent of this measure is already being met through the formation of the Commodity Advisory Group, which was initiated at the 1997 Hawaii Farm Bureau's convention. The Hawaii Agriculture Research Center submitted testimony in support of the intent of the measure. The Pineapple Growers Association of Hawaii commented on the measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 8, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 139      Agriculture on H.C.R. No. 5**

The purpose of this concurrent resolution is to urge all independent diversified agriculture farmers to work together through their respective commodity advisory groups to promote, market, distribute, and export Hawaii-made products and Hawaii-grown crops.



Testimony in support of the measure was received from the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Cattlemen's Council, Inc., the Commodity Advisory Group, the Hawaii Crop Improvement Association, and the Hawaii Aquaculture Association. The Department of Agriculture testified in support of this measure but felt the intent of this measure is already being met through the formation of the Commodity Advisory Group, which was initiated at the 1997 Hawaii Farm Bureau's convention. The Hawaii Agriculture Research Center submitted testimony in support of the intent of the measure. The Pineapple Growers Association of Hawaii commented on the measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 5, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 140      Education on H.B. No. 1168**

The purpose of this bill is to extend Act 327, Session Laws of Hawaii 1993, which authorizes the library system charge fees for enhanced services.

The Department of Education testified in favor of the bill. Information Services testified in support of the intent of the measure.

While recognizing the importance of providing basic library services without charge to the public, your Committee finds that in certain cases the library system can be more responsive to the public and provide greater public access to enhanced services by charging fees to generate revenue.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1168, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1168, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 141      Education on H.B. No. 1170**

The purpose of this bill is to authorize the board of education to charge fees for administrative costs for collection of lost books and overdue fines and fees, library system seminars and workshops, and use of various research and reference materials requiring special equipment to read.

The Department of Education testified in support of the bill. Information Services testified in opposition to the bill.

Your Committee finds that these fees will provide additional and badly needed revenues for the library system and will be paid by those using special services or who are delinquent in returning borrowed materials.

Your Committee amended this bill by authorizing the deposit of revenues created by fees authorized in this bill into the Libraries Special Fund, which currently receives revenues from overdue fines.

Notwithstanding that the substance of this bill may exceed the scope of its title, your Committee finds that it still merits further discussion. The bill title problem can be remedied in future deliberations.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1170, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1170, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 142      Education and Higher Education on H.B. No. 151**

The purpose of this bill is to appropriate funds for promoting teaching as a career to attract more people to the teaching profession.

Testimony in support of the bill was submitted by the Department of Education, the Hawaii State Teachers Association, and the Hawaii Teachers Standards Board. While in support of the bill, the University of Hawaii (UH) suggested expanding the ways the appropriation may be used so that public service announcements are an example of promotional efforts.

At the same hearing, your Committees also heard H.B. No. 251, H.B. No. 253, and H.B. No. 428, all of which contain appropriations to improve the quality of teaching in the schools. Your Committees support these appropriations, but has decided to hold these bills and incorporate them into H.B. No. 151 since they all relate to teaching.

Your Committees have amended the bill by deleting its substance and:

- (1) Appropriating \$660,440 for FY 1999-2000 for permanent faculty positions in the UH College of Education to expand teacher training in shortage fields;
- (2) Appropriating \$577,600 for FY 1999-2000 and \$471,600 for F 2000-2001 to expand teacher training in shortage fields;
- (3) Appropriating \$503,202 for each year of fiscal biennium 1999-2000 to recruit, prepare, and retain teachers in geographic areas that have shortages of teachers;
- (4) Appropriating \$1,296,000 for each year of fiscal biennium 1999-2001 for the teacher induction program;
- (5) Appropriating \$50,000 for each year of fiscal biennium 1999-2001 for integrating technology into teacher training;
- (6) Appropriating unspecified amounts for fiscal biennium 1999-2001 for the Kahuawaiola Professional Teaching Certificate Program in the College of Hawaiian Language at the University of Hawaii at Hilo;
- (7) Appropriating unspecified amounts for fiscal biennium 1999-2001 to expand professional development opportunities to teachers in primary and secondary schools;
- (8) Appropriating unspecified amounts for fiscal biennium 1999-2001 to promote teaching as a career; and
- (9) Reflecting the changes made in the purpose section.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 151, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 151, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Okamura.

**SCRep. 143      Water and Land Use on H.B. No. 204**

The purpose of this bill is to clarify public land liability by exempting government from liability for accidents and injuries on unimproved public property, providing for the development of warning signage at beach parks and repealing Act 190, Session Laws of Hawaii 1996.

Your Committee received testimony as follows:

1. County of Maui Office of the Mayor, in support;
2. Consumer Lawyers of Hawaii and one private citizen, in opposition; and
3. Department of Land and Natural Resources, offering comment.

Your Committee finds that some additional liability protection is necessary in order to allow state and county governments to continue to operate beaches, parks, hiking trails, and other recreational and nature-related uses on public land.

Your Committee revised the bill by:

1. Amending the examples of the natural conditions of unimproved public lands to include trails and accesses;
2. Removing the provisions on beach warnings and signage;
3. Removing the sunset of Act 190, Session Laws of Hawaii 1996; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

Despite the magnitude of the issue of landowner liability, your Committee refrained from making more extensive changes, because of time constraints and the fact that the details of the liability question fall within the purview of the Committee on the Judiciary and Hawaiian Affairs.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 204, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 204, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 144      Water and Land Use and Energy and Environmental Protection on H.B. No. 178**

The purpose of this bill is to create a public-private task force to study and recommend constitutionally acceptable structural changes to the land use regulatory system.

Your Committees received testimony as follows:

1. Land Use Commission, Department of Land and Natural Resources, County of Hawaii Planning Department, Hawaii Business Roundtable, Estate of James Campbell, Land Use Research Foundation, in support; and
2. Hawaii's Thousand Friends, in opposition.

Your Committees find that the task force, in carrying out its mission of streamlining the land use process, should emphasize the elimination of duplication and avoid any action that would remove any of the important land use regulatory safeguards which protect our prime agricultural lands as mandated by the Constitution, and our vital conservation lands. The task force will not consider the elimination of the Land Use Commission. It is the intention of your Committees that in carrying out its mission, the task force will provide adequate notice of its public meetings and, in general, maximize public participation.

Your Committees revised the bill by:

1. Removing all reference to the Director of Business, Economic Development, and Tourism;
2. Removing the representative from the American Planners Association from the task force;
3. Adding the Chairperson of the Land Use Commission;
4. Providing that the Director of the Office of Planning shall be the chairperson of the task force, and providing for the filling of vacancies, the volunteer status of members and reimbursement for travel expenses;
5. Adding an appropriation section and providing that the appropriation shall take effect on July 1, 1999; and
6. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 178, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 178, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

**SCRep. 145 Human Services and Housing and Health on H.B. No. 259**

The purpose of this bill is to assure that all children are safe, healthy, and ready to succeed in school by requiring parents and guardians to take their three-year-old children to the nearest public elementary school to assess whether their psychological and physiological development to date has been satisfactory.

The Departments of Health, Human Services, and Education; the Good Beginnings Alliance; and the Hawaii Chapter of the American Physical Therapy Association submitted testimony in support of the intent of this measure. The Hawaii Association for the Education of Young Children submitted comments.

Your Committees believe that similar to social policy mandating car seats for children under four or requiring immunizations as a prerequisite for entry to school, this measure protects the welfare of children by ensuring the early detection of mental and physical health problems and improving child outcomes.

Your Committees believe that the burden for screening and assessment should be placed on parents, and not on executive agencies. Therefore, your Committees have amended this measure by deleting its substance and replacing its contents with a bill that would:

- (1) Require parents or guardians of a child to have their child screened for psychological or physiological development ninety days prior to or following the child's third birthday;
- (2) Require certification screening by the Departments of Health, Education, and Human Services; the child's pediatrician; or primary health care provider;
- (3) Require the departments, physicians, or providers conducting the screening to adhere to certain requirements to be developed before July 1, 2000;
- (4) Charge the Departments of Health, Education, and Human Services, in conjunction with the American Academy of Pediatrics, to plan and develop standardized screening and a referral protocol;

- (5) Appropriate a blank amount for the Department of Health to develop the standardized screening and referral protocol, effective July 1, 1999; and
- (6) Make technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 259, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 259, H.D. 1, and be referred to the Committee on Education.

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

**SCRep. 146 Human Services and Housing and Health on H.B. No. 551**

The purpose of this bill is to require:

- (1) Inspections of adult residential care homes (ARCH) to be made at specific times with prior notice for purposes of confirming correction of deficiencies and for investigation of complaints; and
- (2) Notification of the specific date and time of the visit to ARCH operators for annual inspections.

The United Group of Home Operators submitted testimony in support of this measure. The Department of Health (DOH), the Executive Office on Aging, and the Hawaii Long-Term Care Association submitted testimony in opposition of this measure.

Your Committees find that this measure, as written, would compromise the health, safety, and welfare of individuals placed in ARCHs. Announced inspections may negate DOH's efforts to ensure safety and quality of care when monitoring the corrections of deficiencies in the daily operations of the ARCH.

Your Committees have amended this measure by:

- (1) Allowing DOH to continue the practice of unannounced inspections for purposes of confirming correction of deficiencies and for investigations of complaints; and
- (2) Requiring DOH to provide a two-week advance written notice of the approximate date and time for an annual inspection.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 551, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 551, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representative Pendleton.

**SCRep. 147 Human Services and Housing and Health on H.B. No. 552**

The purpose of this bill is to require the Department of Health to provide liability insurance coverage to operators of adult residential care homes during the term of their licenses.

Your Committees have amended this bill by deleting its contents and inserting provisions to establish the adult residential care home personal injury and property damage compensation special fund to compensate the operators of adult residential care homes and other persons for personal injuries and property damage caused by residents who are placed in adult residential care homes by the State; and to offer training and education programs in handling violent residents.

Specifically, this bill:

- (1) Specifies that the special fund is to consist of moneys appropriated by the Legislature for the purposes of the special fund; and a monthly contribution of \$5 per resident (defined as an individual who has been placed in an adult residential care home by the State) deducted from state payments to adult residential care homes prior to the disbursement of these payments;
- (2) Requires the monthly contribution to be suspended by the Director of Finance when the unencumbered balance in the special fund exceeds \$100,000, and to be reinstated when the unencumbered balance in the special fund drops below \$75,000;
- (3) Requires disbursements from the special fund to be made by a five-member ad hoc panel consisting of the Director of Human Services or the director's representative, the Director of Health or the director's representative, one representative from a patient advocacy group or patient advocacy agency appointed jointly by the Director of Human Services and the Director of Health, one representative from an adult residential care home organization appointed by the Director of

Human Services, and one representative from an adult residential care home organization appointed by the Director of Health;

- (4) Requires the ad hoc panel to be chaired alternately by the Director of Health and Director of Human Services, or their representatives; and attaches the ad hoc panel to the Department of Health for administrative purposes;
- (5) Requires the Department of Health to adopt rules to implement this bill, including procedures to receive and pay claims for compensation, convene meetings of the ad hoc panel, and appoint representatives of patient advocacy groups, patient advocacy agencies, and adult residential care home organizations; and
- (6) Appropriates \$50,000, to the Department of Health for fiscal year 1999-2000, to be paid into the adult residential care home personal injury and property damage compensation special fund.

As affirmed by the record of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 552, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 552, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representative Pendleton.

**SCRep. 148 Human Services and Housing and Health on H.B. No. 644**

The purpose of this bill is to maximize the utilization of Type I adult residential care homes by imposing a moratorium on the licensing of these homes.

Your Committees received testimony in favor of this measure from the Department of Health (intent only) and United Group of Home Operators. Informational testimony was received from the Department of Human Services.

In particular, this bill requires the Department of Health to determine the number of existing Type I adult residential care homes in the State that have three or fewer residents as of June 30, 1999, identify each specific facility as underutilized, and cease to issue licenses to operate new Type I homes until the percentage of these underutilized homes falls below ten per cent of the total amount of Type I homes on each island. The bill allows the department to issue new licenses on a case-by-case basis on the neighbor islands if there is a demonstrable demand for those facilities. In addition, this bill requires the Department of Human Services to strongly encourage public-pay clients to use underutilized Type I homes.

While the legislature agrees that adult residential care homes play an important role in addressing the long-term care needs of Hawaii's aging population, prohibiting the Department of Health from issuing new licenses to these facilities may deter the development of a community-based health care industry and may also discriminate against new enterprises in this area. Moreover, the requirement that the Department of Human Services encourage clients to accept placement in underutilized homes may not be possible to carry out, given the fact that the department must consider a number of factors in recommending placements and cannot consider underutilization above the needs and preferences of the client. Finally, as reported by the Department of Health, of the four hundred and fifty licensed adult residential care homes on Oahu, less than thirty-one, or seven per cent, have more than two vacancies.

Upon further review, your Committees have amended this bill by replacing the contents of section 2 of the bill, and amending the purpose provisions in section 1 of the bill, to delete the moratorium on new licensing and instead require the Departments of Human Services and Health to do the following:

- (1) Determine the highest and best use of existing licensed Type I adult residential care homes;
- (2) Determine and establish the need for services provided by Type I adult residential care homes by geographic regions in the State by county;
- (3) Develop rating scales with incentive points for Type I adult residential care homes with special features, including space and location, for example, convenience to shopping and recreation and amenities in the home;
- (4) Develop consumer brochures or pamphlets on selecting an appropriate Type I adult residential care home for prospective residents and families; and
- (5) Report findings and recommendations, including any proposed implementing legislation, to the legislature no later than twenty days before the convening of the regular session of 2001.

As affirmed by the record of votes of the members of your Committees on Human Services and Housing and Health that is attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 644, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 644, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representative Pendleton.

**SCRep. 149 Human Services and Housing on H.B. No. 813**

The purpose of this bill is to assist persons with disabilities by requiring public or private providers of sewer, water, electric, gas, telephone, or cable utility services, upon a blind or visually-impaired customer's request, to provide billing in braille, large print, or audio format, at no additional charge to the consumer.

The Hawaii Center for Independent Living submitted testimony in support of this measure.

Your Committee finds that this measure brings Hawaii into compliance with the Federal Americans with Disabilities Act, which is referred to in the law as an "alternative format".

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 813 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Pendleton.

**SCRep. 150 Higher Education on H.B. No. 1570**

The purpose of this bill is to provide matching general obligation bond funds as an incentive for expediting construction of a University of Hawaii West Oahu campus (UH-West Oahu).

The Estate of James Campbell and two individuals submitted testimony in support of the measure. The University of Hawaii submitted comments on the measure and indicated that it is currently preparing a long-range development plan and will be issuing an environmental impact statement for public comments with respect to the construction of the proposed UH-West Oahu campus.

Upon consideration, your Committee has amended this bill by:

- (1) Adding an appropriation of \$450,000 for fiscal year 1999-2000 for a long-range development plan and environmental impact statement for construction of the proposed UH-West Oahu campus; 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1570, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1570, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Okamura and Santiago.

**SCRep. 151 Higher Education on H.B. No. 1660**

The purpose of this bill is to appropriate funds to pay for utilities for the Community Colleges of the University of Hawaii system.

The University of Hawaii Community Colleges testified in support of this bill.

Your Committee finds that electricity costs for the Community Colleges have steadily increased in recent years due to rate increases, new program demands, and new facilities requirements. As a result, the Community Colleges require additional funding to meet critical shortages in electricity funding.

Your Committee has amended this bill by inserting specific appropriation amounts for electricity funding for fiscal years 1999-2000 and 2000-2001.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1660, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1660, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Okamura and Santiago.

**SCRep. 152 Higher Education on H.B. No. 1354**

The purpose of this bill is to appropriate funds to the University of Hawaii (UH) for the establishment of five, full-time equivalent, faculty positions within the International Pacific Research Center (IPRC) of the School of Ocean and Earth Science and Technology.

IPRC testified in support of this bill. UH testified in support of the intent of the proposed bill, but expressed concerns about cost implications.

Your Committee finds that IPRC is rapidly developing into a research organization for climate changes unmatched in quality and quantity anywhere in the world. Your Committee further finds that committing funds for tenure-track faculty at IPRC will allow IPRC to attract world-class faculty members.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1354 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Okamura and Santiago.

**SCRep. 153      Public Safety and Military Affairs on H.B. No. 1194**

The purpose of this bill is to:

- (1) Allow the Department of Public Safety (Department) to hire a Correctional Health Care Administrator (Administrator) to oversee the Department's Correctional Health Care Program (Program); and
- (2) Exempt the Administrator from state civil service law.

The Department of Public Safety testified in support of this measure.

Your Committee finds that to meet the National Commission on Correctional Health Care and community standards, the Department needs an Administrator position to coordinate its Program. Your Committee further finds that by exempting the Administrator position from civil service laws, the Department will be able to attract a wider scope of qualified candidates.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1194 and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee.

**SCRep. 154      Public Safety and Military Affairs on H.B. No. 1659**

The purpose of this bill is to:

- (1) Give current deputy sheriffs of the Department of Public Safety the option to become class A contributory members of the Employees' Retirement System (ERS); and
- (2) Provide that all deputy sheriffs hired after July 1, 1999, will be class C noncontributory ERS members.

The Hawaii Government Employees Association supported this measure. The Employees' Retirement System commented on this measure by suggesting clarifying language.

Police officers, firefighters, and water safety officers are currently designated as contributory class A ERS members in recognition of the hazardous job conditions and critical public safety responsibilities attached to these positions. Your Committee finds that deputy sheriffs perform similar functions and face similar on-the-job dangers and thus, should be accorded the same kind of retirement benefits.

Upon further consideration, your Committee amended this measure by:

- (1) Requiring current deputy sheriffs to convert to contributory ERS membership; provided that their membership up to July 1, 1999 remains at class C noncontributory level;
- (2) Requiring deputy sheriffs to file with the ERS Board of Trustees an election form by December 1, 1999 and arrange for additional deductions or lump sum payments to commence by January 1, 2000;
- (3) Designating all deputy sheriffs hired after July 1, 1999 class A ERS members;
- (4) Changing the effective date to July 1, 1999; and
- (5) Making technical amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1659, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1659, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee.

**SCRep. 155 Ocean Recreation and Marine Resources on H.B. No. 34**

The purpose of this bill is to:

- (1) Amend or repeal certain aquatic resources laws related to licenses, permits, bag limits, sales restrictions, prohibitions, open and closed seasons, fishing gear, area restrictions, and net sizes; and
- (2) Transfer authority to the Department of Land and Natural Resources (DLNR) to adopt administrative rules implementing or replacing the amended or repealed statutes.

DLNR, the Environmental Center of the University of Hawaii-Manoa, Sierra Club-Hawaii Chapter, Hawaii Audubon Society, Hawaii Fisherman's Foundation, BOATS/HAWAII Inc., and Hawaii's Thousand Friends testified in support of this measure. Several fishers opposed this measure.

Presently, the State requires management of fisheries resources through statutory enactment. As a result, changes to the law can only occur when the Legislature is in session. As a result, public hearings during the legislative session are generally limited to Oahu.

If administrative rules replace statutes, DLNR can schedule public hearings throughout the year. In many cases, these hearings can be held throughout the State or on the island directly affected by the proposed rules. This will allow for more flexibility in scheduling and encourage broader participation in the decision-making process.

Your Committee has amended this bill by:

- (1) Authorizing DLNR to adopt rules relating to the taking of bait fish in Section 2; and
- (2) Deleting the provisions in Section 17 which would have established the effective date of each repealed or amended section to coincide with the original effective date of the implementing rule or rules adopted by DLNR regulating the taking of aquatic resources and the gears or methods to take aquatic resources because the administrative rules have already been adopted.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 34, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 34, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 156 Ocean Recreation and Marine Resources on H.B. No. 1176**

The purpose of this bill is to improve the effectiveness of processing violations to the State's boating laws and rules. This bill authorizes the Department of Land and Natural Resources (DLNR) to:

- (1) Establish administrative fines; and
- (2) Recover administrative fees and costs or bring legal action to recover administrative fines and fees and costs,

thereby avoiding the need for court proceedings.

The DLNR testified in support of this bill. BOATS/HAWAII Inc. opposed this measure.

Currently, violations of boating laws and rules are primarily addressed through court proceedings, including criminal procedures. However, many types of violations could be addressed more effectively and expeditiously through administrative fines. Such action would relieve the courts of the burden of processing minor violations.

In addition, this bill proposes to require that all fines, fees, and costs, or recovered damages, be deposited into the Boating Special Fund. This would enable DLNR to recover the costs of investigating and processing violations.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1176 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Kanohe, Morita and Meyer.

**SCRep. 157 Ocean Recreation and Marine Resources on H.B. No. 1179**

The purpose of this bill is to clarify statutory provisions relating to the issuance of commercial marine licenses by:



- (1) Providing the Department of Land and Natural Resources (DLNR) with the option of requiring catch reports of only certain licensees;
- (2) Authorizing DLNR to obtain other types of information from commercial marine licensees, thereby ensuring the gathering of more appropriate and useful information; and
- (3) Removing unnecessary or obsolete language from Chapter 189 (Commercial Fishing), Hawaii Revised Statutes.

DLNR testified in support of this bill. BOATS/HAWAII Inc. was opposed to this measure.

Your Committee finds that this bill will provide DLNR with greater flexibility in making critical changes to its administrative rules regarding commercial marine licenses and the associated reporting requirements.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1179 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 158 Energy and Environmental Protection on 798**

The purpose of this bill is to clarify the jurisdiction for noise, specifically as it pertains to the Convention Center.

The Convention Center Authority (CCA) and the Department of Health (DOH) submitted testimony in support of this measure.

Your Committee finds that the CCA has been working closely with the DOH, which provided operational guidelines that were developed by a citizen committee and were recently adopted by the CCA. Testimony by CCA indicated that it intends to continue these cooperative efforts with the DOH to protect the quiet enjoyment of convention center neighbors, while fulfilling the Convention Center's legislative mandate of operating a world-class convention center.

Your Committee has amended this measure by making technical and stylistic changes to reflect the legislative mandates under which both the DOH and the CCA operate.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 798, H.D. 1, and be referred to the Committee on Health.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 159 Energy and Environmental Protection on H.B. No. 1190**

The purpose of this bill is to grant the Board of Directors of the Hawaii Tourism Authority (HTA) the power to fund and support activities that promote responsible management of Hawaii's natural resources.

The Department of Land and Natural Resources (DLNR), the Hawaii Audubon Society, and an individual submitted testimony in support of the bill. Hawaii's Thousand Friends and the Hawaii Chapter of the Sierra Club supported the intent of the bill. HTA commented on the bill.

Your Committee recognizes the need to preserve, protect, and sustain Hawaii's natural resources for they are an important reason that so many people travel to our beautiful islands. Your Committee favorably notes that HTA submitted comments acknowledging its recognition of the need for the Tourism Strategic Plan to include strategies to address the long-term sustainability of the natural resources affected by the visitor industry. In addition, your Committee is encouraged by HTA's intent, also expressed in its comments, to work closely with the DLNR and the commercial and non-profit entities involved in the field to ensure that proper attention is paid to the management and preservation of Hawaii's natural resources.

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

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1190, H.D. 1, and be referred to the Committee on Tourism.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 160 Culture and the Arts on H.B. No. 89**

The purpose of this bill is to support the Okinawan Centennial Celebration Commission which is coordinating the Centennial Celebration of the arrival of the Okinawan people to Hawaii.

Testimony in support of the bill was received from the Hawaii United Okinawa Association's Okinawan Centennial Celebration Committee.

Your Committee has amended the bill by changing the appropriation from \$200,000 to \$1 for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 89, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 89, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 161      Culture and the Arts on H.B. No. 869**

The purpose of this bill is to amend the law relating to the SFCA by clarifying the roles of the commission, executive director, and foundation staff. The bill specifies that agencies receiving capital improvement appropriations are responsible for calculating the one per cent due to the works of art special fund. Finally, the bill adds remedies for noncompliance.

The State Auditor and the State Foundation on Culture and the Arts both testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 869 and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee.

**SCRep. 162      Culture and the Arts on H.B. No. 1741**

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

- (1) Establish an advisory Hawaiian Cultural Heritage Commission (Commission) within the Department of Business, Economic Development, and Tourism (DBEDT) to advise government agencies on matters regarding the Hawaiian culture, including traditional Hawaiian practices, the use of resources, and land use, and to designate cultural heritage areas; and
- (2) Appropriate the sum of \$250,000 for fiscal year 1999-2000 and the sum of \$500,000 for fiscal year 2000-2001 to establish and operate the Commission.

Testimony in support of this bill was received from Na Kupuna O Maui, an organization of spiritual and cultural elders, eleven concerned Kupuna individuals, and a concerned citizen from Lahaina, Maui. Testimony in opposition to this bill was received from the Office of Hawaiian Affairs.

Your Committee finds that the State of Hawaii has a moral obligation to protect and preserve the Hawaiian culture and understands the need to preserve areas of significance and the important role these areas play in preserving and perpetuating the Hawaiian culture and its practices. Your Committee further finds that the establishment of a Hawaiian Cultural Heritage Commission will play an important role in identifying areas of cultural significance and protecting these sensitive areas.

Your Committee has amended this bill by changing the appropriation amount for both fiscal years 1999-2000 and 2000-2001 to \$1 for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1741, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 163      Energy and Environmental Protection on H.B. No. 208**

The purpose of this bill is to require publication of environmentally-related permit applications in the Office of Environmental Quality Control (OEQC) bulletin.

Testimony was received in support of the bill from the Land Use Commission, the Office of Environmental Quality Control, Na Leo Pohai, the Hawaii Chapter of the Sierra Club, Life of the Land, Hawaii's Thousand Friends, Common Cause Hawaii, and two concerned citizens.

Testimony in opposition to the bill was received from the City and County of Honolulu's Department of Planning and Permitting, and the County of Hawaii's Planning Department. Testimony expressing concerns regarding the proposed bill was received from the Office of Planning, the Environmental Center, and Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company.

Your Committee finds that the Environmental Notice, the semi-monthly bulletin of OEQC, is striving to become a "one-stop shop" for environmental notices to the greatest possible extent. Currently, agency notices are printed on a space-available basis. However, the requirement of published public notices going out to bid may not reach an audience of "general circulation." Your Committee notes that the OEQC bulletin is now available through the internet, which offers a greater potential of accessibility at less cost.

Your Committee also finds that currently the publication of environmentally-related permit applications in the OEQC bulletin cost approximately \$35,000 per year. OEQC may not require additional funding to publish these required applications.

Technical, nonsubstantive amendments have been made to this bill for purposes of 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 is in accord with the intent and purpose of H.B. No. 208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 208, H.D. 1, and be referred to the Committee on Water and Land Use.

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

**SCRep. 164 Energy and Environmental Protection and Health on H.B. No. 1137**

The purpose of this bill is to:

- (1) Clarify certain provisions relating to the Department of Health (DOH); and
- (2) Add a new license category for environmental health services professionals.

Among other things, this "housekeeping" bill:

- (1) Eliminates duplication and confusion between Chapter 321 (Department of Health), Hawaii Revised Statutes (HRS), and Chapter 149A, HRS (the Hawaii Pesticides Law), Chapter 460J, HRS (Pest Control Operators), and Act 242, Session Laws of Hawaii 1998 (Asbestos and Lead Law), by repealing certain provisions in Chapter 321;
- (2) Avoids the inadvertent deposit of non-environmental health fees into the Environmental Health Education Fund;
- (3) Replaces the "sanitarian" job title with "environmental health professional." This proposed title will be more inclusive and reflect personnel employed in a variety of fields relating to noise, food and drug inspection, radiation, and indoor air quality;
- (4) Eliminates the licenses for asbestos and lead workers which were included in Chapter 342P, HRS; and
- (5) Changes the annual re-registration requirements for certain licensed personnel to a biennial re-registration.

The DOH testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1137 and recommend that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committees except Representatives Arakaki, Cachola, Lee, Stegmaier, McDermott, Meyer and Thielen.

**SCRep. 165 Legislative Management on H.B. No. 131**

The purpose of this bill is to propose a constitutional amendment to require that a candidate for state legislative office must be a qualified voter and resident in the district in which the candidate seeks to represent before filing nomination papers for the primary election.

The Office of Elections, Common Cause Hawaii, and the League of Women Voters of Hawaii submitted testimony in support of this bill.

Your Committee finds that this measure would improve public confidence in the election process by reducing the potential for candidates to seek office in particular districts based on their chances of success. This measure would also increase the likelihood that candidates will be more knowledgeable and interested in the district they seek to represent because they have actually lived in the community.

While supporting this bill, the Office of Elections suggested amending the bill to ensure that a state legislator will not be disqualified for the remainder of the legislator's term if reapportioned out of the legislator's district.

Your Committee agrees with this recommendation and has amended this measure accordingly. Other technical, nonsubstantive amendments have been made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 131, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 131, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Takamine, Kahikina and Souki.

**SCRep. 166      Legislative Management on H.B. No. 162**

The purpose of this bill is to clarify the scope of subpoena powers of state and county legislative bodies by removing obsolete loyalty oath references, which were found in repealed Chapter 85, Hawaii Revised Statutes (HRS).

Testimony in support of this bill was received from the Maui County Council.

Your Committee finds that the law only gives state and county legislative bodies subpoena authority over Executive Branch officials who have taken a loyalty oath. Since the loyalty oath requirement, as found in what was Chapter 85, HRS, was repealed several years ago, this subpoena authority no longer has any legal effect.

Without the ability to require the presence of Executive Branch officials, no state or county legislative body can be expected to perform their appropriate policymaking role. As a result, your Committee finds that this measure is necessary to preserve the integrity of state and county legislative bodies 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 is in accord with the intent and purpose of H.B. No. 162 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Takamine, Kahikina and Souki.

**SCRep. 167      Legislative Management on H.B. No. 148**

The purpose of this bill is to appropriate the funds necessary to support the Office of the Legislative Analyst.

Your Committee finds that Hawaii is the only state in the nation in which the legislature relies on the executive branch to temporarily loan staff to support the work of the money committees.

Ensuring that approved appropriations are executed in compliance with legislative policy, should be the function of a nonpartisan fiscal analysis office in conjunction with the professional staffs of the legislative money committees.

For these reasons, your Committee finds that the provisions of Act 347 of 1990 should be fully implemented so that the Office of the Legislative Analyst can be fully established.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 148 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takamine, Kahikina and Souki.

**SCRep. 168      Legislative Management on H.B. No. 1436**

The purpose of this bill is to:

- (1) Transfer the function of analyzing and assessing the impact of proposed special and revolving funds from the Legislative Auditor to the Legislative Analyst;
- (2) Requiring the analysis to be completed by the first lateral deadline;
- (3) Removing from the functions of the Office of the Legislative Analyst the responsibility of reviewing and making recommendations on the operation of state programs; and
- (4) Requiring the Legislative Auditor to continue performing this function until such time as the Office of the Legislative Analyst is funded and operational.

The Legislative Auditor supported this measure.

Currently, the Legislative Auditor is charged with analyzing proposed new special or revolving funds within 30 days before adjournment of the Legislature. This function conflicts with the Legislative Auditor's responsibility for reviewing existing revolving

and trust funds and trust accounts of every department on a five-year cycle. Your Committee finds that the Office of the Legislative Analyst would be the more appropriate agency to carry out this function.

Further, the 30-day deadline does not provide adequate time for the Legislature to rely on the analysis. It deprives many committees of the opportunity to consider analyses before making decisions on the bills.

Acknowledging that the Office of the Legislative Analyst has not been funded yet, this bill provides for the transfer of functions to take place when the Office of the Legislative Analyst actually becomes operational.

Your Committee also realizes that existing law dealing with the responsibility of the Office of the Legislative Analyst to review and make recommendations on the operation of state programs may be considered duplicative of what is considered the Legislative Auditor's function. This measure removes this function from the Office of the Legislative Analyst.

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

- (1) Providing that subsequent proposals by a legislative committee to establish new special or revolving funds be reviewed by the Office of the Legislative Analyst before succeeding or final committee action is taken; and
- (2) Making other technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1436, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1436, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takamine, Kahikina and Souki.

**SCRep. 169 Legislative Management on H.B. No. 1562**

The purpose of this bill is to appropriate funds to pay for the State's membership dues with the Council of State Governments.

Your Committee has amended this measure by replacing the appropriated sum with a blank amount for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1562, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takamine, Kahikina and Souki.

**SCRep. 170 Legislative Management on H.B. No. 1639**

The purpose of this bill is to make an appropriation to establish an additional full-time staff position for the Public Access Room (PAR).

The League of Women Voters, Boats/Hawaii Inc., Phase Twenty Committee, Common Cause Hawaii, Information Services, Hawaii Association of International Buddhists, Hawaii Coalition Against Legalized Gambling, Life of The Land, GST Telecom Hawaii, Uyeoka Consulting, Carr's Insurance Agency, and numerous concerned members of the community submitted testimony in support of this measure.

In the last decade, the Legislature has demonstrated its commitment to making the legislative process more open and accessible to the general public through a number of initiatives, including the establishment of the PAR. The level of service provided at the PAR has proven to be exceptional during the legislative session. Your Committee finds that the addition of another position will enable the PAR to improve its level of service throughout the year.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1639 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takamine, Kahikina and Souki.

**SCRep. 171 Legislative Management on H.B. No. 1640**

The purpose of this bill is to appropriate funds for Hawaii's contribution to the costs of the National Conference of Commissioners on Uniform State Laws, and for related registration and travel expenses.

Testimony commenting on the bill was received from the State Commission to Promote Uniform Legislation.

Your Committee finds that the continued support of and participation in the National Conference of Commissioners on Uniform State Laws by this State is essential to continue the work of drafting and revising uniform laws concerning matters of state interest.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1640 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takamine, Kahikina and Souki.

**SCRep. 172      Legislative Management on H.B. No. 1686**

The purpose of this bill is to appropriate funds to the Office of Ombudsman (Office) for replacement of non-year-2000-compliant equipment and software.

The Office submitted testimony in support of this measure.

Your Committee notes that much of the Office's computer system is not year 2000 compliant. Moreover, the file server that houses the Office's intranet system and case management system is also noncompliant and is considered obsolete by the industry. This bill would allow the Office to replace its non-year-2000-compliant equipment and software, including its case management system, and train staff in the use of the new software.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1686 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by members of the Committee except Representatives Takamine, Kahikina and Souki.

**SCRep. 173      Education on H.B. No. 511**

The purpose of this bill is to require the salary of the Superintendent of Education to be set by the Board of Education.

Your Committee received testimony in favor of this measure from the Board of Education and the Hawaii Business Roundtable.

Your Committee finds that the salary of the Superintendent of Education, which is set by statute at \$90,041, is an unrealistically low figure given the magnitude and complexity of the position as head of one of the largest school districts in the country. The Superintendent's duties include not only those of a typical superintendent as in other states, but those of a local school district superintendent as well.

Your Committee finds that allowing the Board of Education to set the Superintendent's salary will enable the Board to recruit and retain highly qualified individuals for this unique position, give the State greater competitiveness in attracting outstanding educators, and result in greater accountability for the Department of Education, since the Board will be able to directly link the Superintendent's salary to job performance.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 511 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 174      Education on H.B. No. 512**

The purpose of this bill is to make the Hawaii Teacher Standards Board permanent by repealing its June 30, 2000, sunset date.

Your Committee received testimony in support of this bill from the Board of Education, the Hawaii State Teachers Association, the Hawaii Teacher Standards Board, the Hawaii Business Roundtable, the Hawaii State Parent, Teacher, Student Association, and a teacher educator. Your Committee also received comments on this bill from a former teacher.

Your Committee finds that the continued existence of the Hawaii Teacher Standards Board is essential to ensuring that our public school students are taught by qualified teaching professionals. Your Committee also finds that the Hawaii Teacher Standards Board has done outstanding work in the past and should be permitted to continue its work into the future. Your Committee further finds that the June 30, 2000, sunset date is no longer necessary and can only hinder the work of the Hawaii Teacher Standards Board.

In order to expedite the passage of this bill, which must be referred to your Committee on Consumer Protection and Commerce and then to your Committee on Finance, this Committee purposely has not made needed conforming amendments to this measure. Specifically, the sunset dates in section 302A-501(b), Hawaii Revised Statutes, and section 7 of Act 122, Session Laws of Hawaii 1996 (as it relates to section 302A-602, Hawaii Revised Statutes--formerly section 297-2, Hawaii Revised Statutes), need to be repealed. Your Committee believes that these amendments can be made by your Committee on Consumer Protection and Commerce or your Committee on Finance when time permits.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 512 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 175      Tourism on H.B. No. 827**

The purpose of this bill is to create incentives for reinvestment in the resort infrastructure of the Banyan Drive resort area in Hilo, Hawaii, by providing a five-year opportunity for lessees within the Banyan Drive resort area to extend their existing leases or to obtain new leases by applying to the Board of Land and Natural Resources (BLNR).

The Mayor of the County of Hawaii; the Chair of the Finance Committee, Hawaii County Council; the Director of the Department of Research and Development, County of Hawaii; the President of Banyan Drive Association and General Manager of Hilo Hawaiian Hotel; Hawaii Nanihoa Hotel; and an individual submitted testimony in support of the measure. Another individual submitted testimony in support of the intent of the measure. The Department of Land and Natural Resources (DLNR) testified that it does not support the bill and instead encouraged the Committee to consider its recommended changes.

Your Committee notes that there are 15 total leases in the Banyan Drive resort area. Of the 15 leases, there are 10 leases covering three resort facilities (Nanihoa, Hilo Bay, and Hilo Hawaiian), three leases for each of three apartment/condominium facilities (Country Club, Bayview Banyan, and Reed's Bay), one golf course lease, and one restaurant lease. Your Committee recognizes that with the majority of the Banyan Drive resort leases expiring in 2015, these affected lessees are faced with the uncertainty of continued tenancy. As the end of the lease term nears, these lessees will have less and less incentive to make major investments to improve their resort infrastructure or to ensure the long-term maintenance of their resorts.

Upon consideration, your Committee has amended this bill by:

- (1) Authorizing DLNR to issue new resort leases or one master lease to the existing Banyan Drive resort lessees, rather than authorizing BLNR to extend the leases or issue new leases for lessees within the Banyan Drive resort area;
- (2) Stipulating that the lands eligible for lease are limited to those existing 13 state leases with infrastructure located along Banyan Drive that are used for resort purposes;
- (3) Establishing conditions in which DLNR may issue the new resort leases or the one master lease, including providing that:
  - (a) The new leases contain current standard terms and conditions and other conditions as deemed appropriate by DLNR;
  - (b) DLNR develop a process to ensure the assumption of no market demand for the resort leases; and
  - (c) DLNR may issue a request for proposal or other means to determine competition;
- (4) Specifying that the Legislature not interfere with market forces by subsidizing these resort uses;
- (5) Eliminating the stipulation that any new or extended lease be for a maximum of 55 years from the bill's effective date; and
- (6) Making technical, nonsubstantive amendments for clarity.

Your Committee notes that the 13 state leases do not include the golf course lease and the restaurant lease in keeping with the intent of the bill, which is to help stimulate tourism in East Hawaii by creating incentives for reinvestment in the resort infrastructure of the Banyan Drive area.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 827, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 827, H.D. 1, and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representatives Herkes, Ito and Saiki.

**SCRep. 176      Energy and Environmental Protection on H.B. No. 1142**

The purpose of this bill is to:

- (1) Place certification of cesspool pumping firms with the Department of Health;
- (2) Subject knowing violations of rules regarding spills and dumping to criminal penalties;

- (3) Allow officials of the Department of Health to obtain search warrants for criminal violations;
- (4) Provide consistent penalties for wastewater and sludge spills and dumping; and
- (5) Make explicit the Department of Health's authority to deal with recycled water.

Testimony in support of this measure was received from a representative of the Department of Health. Representatives of the Waimanalo Citizens for a Healthy Future and Hilltop Equestrian Centre submitted comments on the measure to your Committee.

Your Committee finds that this measure will strengthen the authority of the Department of Health to deal effectively with wastewater environmental concerns.

In order to make more explicit the Department of Health's authority to deal with recycled water, your Committee has amended this measure by:

- (1) Including the phrase "recycled water" in the sections on permits, inspections, emergency orders and recordkeeping;
- (2) Replacing the term "reclaimed water" with "recycled water"; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1142, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1142, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 177 Water and Land Use on H.B. No. 423**

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources to match federal funds for the Hawaii Forestry and Communities Initiative.

Your Committee received testimony in support of this bill from the Board of Agriculture, Department of Labor and Industrial Relations, Board of Land and Natural Resources, Department of Hawaiian Homelands, Hawaii Forest Industry Association, Hawaii Society of American Foresters, Hawaii Farm Bureau Federation, Big Island Farm Bureau, C.A.M. Resource Management, and Nature Conservancy of Hawaii.

Your Committee finds that the Hawaii Forestry and Communities Initiative is an important part of Hawaii's forestry industry and the \$250,000 appropriation will be matched by an equal amount of federal funds.

Your Committee revised the bill by:

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

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 423, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 178 Water and Land Use on H.B. No. 424**

The purpose of this bill is to improve the management of forestry resources by:

1. Providing for the reforestation and maintenance of harvested plantation areas on state lands;
2. Enhancing the management of public forest reserves in order to improve Hawaii's natural environment and economy; and
3. Developing environmental education and training programs for the public.

Your Committee received testimony as follows:

1. Board of Land and Natural Resources, Hawaii Forest Industry Association, Hawaii Society of American Foresters, C.A.M. Resource Management, Nature Conservancy of Hawaii, in support;



2. Sierra Club in opposition; and
3. University of Hawaii Environmental Center, offering comment.

Your Committee finds that forestry is one of the fastest growing segments of diversified agriculture. In addition, many of our native plants are displaced by non-native species and some forest areas are cluttered by dead native trees blown down by storms. Harvest of these products will not only help to alleviate the burdens on the understaffed forest reserve management personnel, but will expand the sources of income for the forest stewardship program and give it greater self-sufficiency.

Your Committee revised the bill by:

1. Providing for deposit into the forest stewardship special fund of the proceeds from the harvest of non-native forest products from forest reserves, the harvest of native forest products from forest reserves, if found dead and lying on the ground, or the sale of tree seedlings from state nurseries;
2. Providing for deposit of any other income into the general fund;
3. Directing the forest stewardship program to assist in the management of public land and development of educational and training programs;
4. Requiring the management efforts on public forest reserves to emphasize the restoration of koa forests;
5. Adding to the annual report the identification of reforestation, forest management, education and training objectives; and
6. 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 Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 424, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 179 Water and Land Use on H.B. No. 694**

The purpose of this bill is to require that one of the two at-large members of the Board of Land and Natural Resources be a representative of the Office of Hawaiian Affairs.

Your Committee received testimony as follows:

1. Office of Hawaiian Affairs, in support; and
2. University of Hawaii Environmental Center, offering comment.

Your Committee finds that representation from the Office of Hawaiian Affairs on the Board of Land and Natural Resources will provide the board with a new perspective.

Your Committee revised the bill by:

1. Providing that the member of the Board of Land and Natural Resources representing the Office of Hawaiian Affairs be non-voting; and
2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 694, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 694, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 180 Water and Land Use on H.B. No. 695**

The purpose of this bill is to require that one of the at-large members of the Land Use Commission be a representative of the Office of Hawaiian Affairs.

Your Committee received testimony as follows:

1. Office of Hawaiian Affairs, in support; and

2. Office of Planning, Land Use Commission, and University of Hawaii Environmental Center offering comment.

Your Committee finds that representation from the Office of Hawaiian Affairs on the Land Use Commission will provide the commission with a new perspective.

Your Committee revised the bill by:

1. Providing that the member of the Land Use Commission representing the Office of Hawaiian Affairs be non-voting; and
2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 695, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 695, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 181 Water and Land Use on H.B. No. 710**

The purpose of this bill is to change the structure of the Commission on Water Resource Management by:

1. Requiring that one member of the commission be a representative of the Office of Hawaiian Affairs not subject to appointment by the governor or confirmation by the Senate;
2. Reducing the size of the nominating committee; and
3. Reducing the number of names submitted to the governor by the nominating committee.

Your Committee received testimony as follows:

1. Office of Hawaiian Affairs, in support;
2. Commission on Water Resource Management, in opposition; and
3. University of Hawaii Environmental Center, offering comment.

Your Committee finds that representation from the Office of Hawaiian Affairs on the Commission on Water Resource Management will provide the commission with a new perspective, although a question remains as to whether membership by a representative of OHA will affect its right to intervene on cases before the commission.

Your Committee revised the bill by:

1. Providing that the member of the Commission on Water Resource Management representing the Office of Hawaiian Affairs be non-voting;
2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 710, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 710, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 182 Public Safety and Military Affairs on H.B. No. 752**

The purpose of this bill is to transfer the responsibility for providing residential detainment for prearrest detainees from the counties to the Department of Public Safety.

The Office of the Corporate Counsel of the County of Hawaii and the Police Department of the City and County of Honolulu submitted testimony in support of this measure.

The Department of Public Safety submitted testimony in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 752 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 183 Education on H.B. No. 532**

The purpose of this bill is to establish a structure to ensure gender equity in athletic activities offered by the public schools.

The Hawaii State Teachers Association and two individuals submitted testimony in support of the bill. The Department of Education concurred with the intent of the bill. In support of the intent of the bill, the Commission on the Status of Women raised the concern that the Civil Rights Commission does not have jurisdiction to penalize Hawaii's public schools. Also in support of the intent of the bill, the Hawaii Civil Rights Commission testified that it does not have statutory jurisdiction to penalize public schools, nor is there a procedure for handling complaints, compliance review, contested hearings, or judicial review.

Your Committee strongly believes the the public schools should offer equal opportunities to all students. Historically, girls have not been as involved in athletics as boys. However, when given equal opportunities, girls are as interested in participating in athletics as boys. This bill seeks to ensure that all students are provided equal opportunities to participate in athletics, regardless of their gender.

The bill has been amended by:

- (1) Specifying that the Superintendent of Education and the Advisory Commission on Gender Equity in Sports rather than the Civil Rights Commission shall define equity in athletics and determine whether equal opportunities are available;
- (2) Changing the structure of the Advisory Commission on Gender Equity in Sports so that: it is established within the Department of Education; its seven members are appointed by the Superintendent of Education; and it advises the Board of Education, the Superintendent of Education, and the Legislature;
- (3) Specifying that the Superintendent of Education rather than the Board of Education shall develop and implement enforcement mechanisms;
- (4) Deleting the requirement for the Civil Rights Commission to penalize a public school that is found not to be in compliance;
- (5) Requiring the Superintendent of Education to submit annually a compliance report to the Advisory Commission on Gender Equity in Sports and the Legislature;
- (6) Deleting the statement that any person who is aggrieved by a violation of the proposed new law has a right of action for such equitable relief as the court may determine; and
- (7) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 532, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 532, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Santiago.

**SCRep. 184 Education on H.B. No. 790**

The purpose of this bill is to require all new school buildings planned, designed, constructed, and equipped after June 30, 2000, to be built in accordance with hurricane resistant shelter criteria adopted by the Adjutant General.

In addition, this bill:

- (1) Requires, to the maximum extent feasible, all new school buildings planned, designed, constructed, and equipped before July 1, 2000, to be built in accordance with hurricane resistant shelter criteria established by the Adjutant General on July 29, 1997; and
- (2) Requires the Adjutant General to adopt hurricane resistant shelter criteria to regulate the planning, design, construction, and equipping of all new public school buildings built after June 30, 2000.

Your Committee received comments on this bill from the Department of Accounting and General Services suggesting that the scope of the bill be limited to only those buildings that serve as shelters, for example, cafeterias, gymnasiums, and auditoriums. Your Committee received testimony in opposition to this bill from the Department of Education.

While modern weather satellites can provide the Hawaiian Islands with advanced warning of impending hurricanes, tropical storms, and gales, your Committee finds that people must still find safe places to shelter themselves during severe weather events. School buildings are the most convenient shelters because they are often within walking distance of people's homes and can be accessed by large numbers of people without adding to the traffic congestion on Hawaii's already crowded highways.

In order to expedite the passage of this bill, which must be referred to your Committee on Consumer Protection and Commerce and then to your Committee on Finance, this Committee purposely has not incorporated the amendments suggested by the Department of Accounting and General Services to limit the scope of this bill to only those buildings that serve as shelters. Your Committee believes that these amendments, if deemed necessary, can be made by your Committee on Consumer Protection and Commerce or your Committee on Finance when time permits.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 790 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 185      Education on H.B. No. 1087**

The purpose of this bill is to allow the Department of Education to collect and expend tuition and other fees charged for out-of-school time instructional programs.

Specifically, this bill expands the scope of the special summer school and intersession fund (section 302A-1310, Hawaii Revised Statutes) to allow the Department of Education to collect and expend tuition and other fees charged for after-school instructional programs and other educational programs that are held outside of regular school days or hours. Currently, the Department of Education is limited to collecting and expending tuition and other fees charged only for summer school and intersession.

In addition, this bill exempts the out-of-school time instructional program fund from having to pay its prorated share of central service and administrative expenses in relation to the fund.

Your Committee received testimony in support of this bill from the Department of Education.

Your Committee finds that this bill will provide greater flexibility for individual schools to design and offer a variety of programs responsive to their students' needs, and will ensure the adequacy of resources for doing so.

Your Committee has amended this bill by:

- (1) Amending section 13 of Act 216, Session Laws of Hawaii 1997, and section 9 of Act 142, Session Laws of Hawaii 1998, to prevent the amendments being made to sections 36-27 and 36-30, Hawaii Revised Statutes, by this bill from being repealed upon the repeal and reenactment of these sections by operation of law on July 1, 2000, and July 31, 2003; and
- (2) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1087, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 186      Labor and Public Employment on H.B. No. 530**

The purpose of this bill is to prohibit employers from requiring an employee or prospective employee to relinquish their rights under chapters 368 and 378, Hawaii Revised Statutes (HRS), as a condition of hiring or continued employment.

The Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women, the Hawaii Women's Legislative Coalition, and the Hawaii Women Lawyers supported this measure.

Your Committee finds that this measure will eliminate interference with rights under the fair employment practices law, in the form of mandatory arbitration agreements. Prohibiting employers from including such a provision in employment documents or agreements protects the inherent right of an employee to file a charge or participate in an investigation, hearing, trial, or other proceeding under chapter 368, HRS.

Your Committee further finds that mandatory arbitration agreements tend to prejudice complainants who cannot afford to move for arbitration to enforce their substantive rights. Typically, the moving party is required to advance fees in order to initiate the arbitration process. In short, those who cannot afford arbitration are then precluded from seeking legal relief.

Your Committee finally finds that the Ninth Circuit Court of Appeals recently held that the Civil Rights Act of 1991 precludes mandatory arbitration as a matter of law, and has deemed that mandatory arbitration is unconstitutional under the United States Constitution.

Upon further consideration, your Committee has amended this measure by prohibiting employers from requiring an employee to relinquish their right to file or participate in a "civil action in court" instead of the less inclusive term "trial."

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 530, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 530, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Okamura.  
(Representative Rath voted no.)

**SCRep. 187      Labor and Public Employment on H.B. No. 1038**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items for Units 1, 2, 3, 4, 6, 8, 9, 10, 13 and their excluded counterparts, including the cost of salary adjustments, negotiated between the State and the bargaining unit representatives.

Your Committee received testimony in support of the measure from representatives of the Office of Collective Bargaining, Executive Office of the Governor, the United Public Workers, the Hawaii Government Employees Association, the Hawaii Health Systems Corporation, the Hawaii State AFL-CIO and the Hawaii State Teachers Association. In addition, numerous individuals testified in support of the measure.

Your Committee finds that the negotiated agreements reached by the State and government employees' bargaining unit representatives should be funded by the Legislature.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1038 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 188      Labor and Public Employment on H.B. No. 98**

The purpose of this bill is to extend the Employees' Retirement System (ERS) pensioners' bonus until July 1, 2001.

The Hawaii State Teachers' Association, the Hawaii State Retired Teachers' Association, the Retirees Unit of the HGEA/AFSCME Local 152, and the Coalition of Hawaii State/Counties Retirees, Inc. supported this measure. The ERS commented on this measure.

Your Committee finds that extending the pensioners' bonuses to July 1, 2001, will help retirees living on fixed incomes cope with the rising costs of living in Hawaii.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 98 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.  
(Representative Rath voted no.)

**SCRep. 189      Labor and Public Employment on H.B. No. 762**

The purpose of this bill is to allow the same amount of Medicare Part B medical insurance refunds on behalf of a retiree and spouse who are enrolled in a supplemental Medicare plan of an employee organization, as a retiree and spouse enrolled in the Health Fund Medicare Supplemental Plan.

The Hawaii Public Employees Health Fund and the Hawaii State Teachers Association testified in support of the bill. The Department of Budget and Finance opposed the bill.

Your Committee finds that this bill promotes fairness by requiring the same payment of Medicare Part B reimbursements for retirees and eligible spouses enrolled in either the Health Fund Plan or Union Plan. Your Committee respectfully requests, however, that the Committee on Finance consider the cost impact of this measure in its deliberations on this bill.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 762 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Hamakawa and Okamura.  
(Representative Rath voted no.)

**SCRep. 190      Labor and Public Employment on H.B. No. 671**

The purpose of this bill is to require the Employees' Retirement System to recognize a division of property pursuant to a court order or divorce decree, which affects the rights of the persons named in the order or decree to pension, retirement, or other benefits under Chapter 88, Hawaii Revised Statutes.

The Employees' Retirement System (ERS) commented on this measure.

Currently, the ERS deducts court-ordered child support payments from a retiree's pension. Your Committee finds that property divisions that result from a court order or divorce decree are equally important and should receive equal recognition by the ERS.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 671 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa and Okamura.  
(Representatives Moses and Rath voted no.)

**SCRep. 191 Labor and Public Employment on H.B. No. 186**

The purpose of this bill is to, where there is no surviving spouse or reciprocal beneficiary of a public employee who qualified for retirement benefits but had not yet retired, allow surviving dependent children to receive death benefits after age 18 while a full-time student or until age 23, whichever occurs first.

The Department of Education and a member of the public testified in support of this measure. The Employees' Retirement System commented on this measure.

Your Committee finds that this measure will provide surviving dependent children of public employees with an invaluable opportunity to gain enhanced training and education. By earning a higher academic degree or completing a vocational training program, these individuals will be able to contribute to the future of a better trained workforce in Hawaii.

Upon further consideration, your Committee has amended this measure by extending the eligibility cutoff date to age 24 to provide comparable benefits as the Health Fund Dependent Benefit Plan, Federal and State tax dependent exemptions, and many private employer health plans.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 186, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 186, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 192 Labor and Public Employment on H.B. No. 50**

The purpose of this bill is to base the qualifications for temporary disability insurance (TDI) on the fifty-two weeks, instead of four completed calendar quarters, immediately before the first day of disability.

The Department of Labor and Industrial Relations testified in support of this bill and indicated that there will be "no increase in cost" as a result.

Your Committee finds that this bill will allow an individual to be credited for all qualifying employment, including the current calendar quarter in which an individual becomes disabled. This will more accurately and fairly reflect an individual's employment and wage history for purposes of TDI benefits.

As affirmed by the records of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 50 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 193 Public Safety and Military Affairs and Judiciary and Hawaiian Affairs on H.B. No. 69**

The purpose of this bill is to transfer the Crime Victim Compensation Commission (Commission) from the Department of Public Safety to the Department of the Attorney General.

The State Attorney General, the Office of the Prosecuting Attorney of the City and County of Honolulu, and the Crime Victim Compensation Commission testified in support of this measure. The Department of Public Safety testified in support of this measure, but requested an adequate period of time to transfer the Commission.

Your Committees find that the Commission is concerned with victims of crimes, while the Department of Public Safety is concerned with perpetrators of crimes. As such, the placement of the Commission in the Department of Public Safety is inappropriate. Your Committees further find that the Office of the Attorney General is more appropriate because:

- (1) It is the State's central agency for federal funds received from the Federal Victims of Crime Act and other grants; and
- (2) It already advises the Commission on legal matters, and administers, monitors, and provides federal funds to county and private agencies, which assist victims of crime.

Your Committees have amended the bill by:

- (1) Changing the effective date to January 1, 2000, to provide the Department of Public Safety with a sufficient transition period; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 69, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 69, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Cachola, Hiraki, Yoshinaga and Whalen.

**SCRep. 194 Education on H.B. No. 1389**

The purpose of this bill is to propose amendments to the Constitution of the State of Hawaii to authorize the issuance of special purpose revenue bonds to private primary or secondary educational institutions to build or repair facilities.

Your Committee received testimony in support of this bill from the Hawaii Association of Independent Schools. Chaminade University of Honolulu submitted comments suggesting that this bill be amended to include private institutions of higher education like itself. The Department of Budget and Finance informed your Committee that the Attorney General had concerns about this bill and would be submitting separate comments on it.

Your Committee finds that parents should be given the maximum amount of freedom legally permissible to decide whether their children will be educated in a private school or a public school, regardless of whether the school is sectarian or nondenominational in character. Authorizing the issuance of special purpose revenue bonds to private primary or secondary educational institutions will promote the ability of parents to base this important life decision for their children on factors other than the condition of a private school's physical facilities. The underlying philosophy for this bill is one of parental choice, not religion or private interests.

In order to expedite the passage of this bill, which must be referred to your Committee on Judiciary and Hawaiian Affairs and then to your Committee on Finance, this Committee purposely has not attempted to address such issues as the establishment of religion. Your Committee believes that these issues, if deemed relevant, can be addressed by your Committee on Judiciary and Hawaiian Affairs or your Committee on Finance when time permits.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1389 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 195 Education on H.B. No. 1390**

The purpose of this bill is to:

- (1) Convert five temporary, half-time registrar positions to permanent, full-time status;
- (2) Convert twenty-five temporary, full-time registrar positions to permanent status;
- (3) Create an additional four permanent, full-time equivalent, registrar positions; and
- (4) Appropriate funds to the Department of Education for the converted and newly created positions.

Testimony in support of the bill was received from the Department of Education, the Registrars' Association of Hawaii, and numerous, individual registrars from each school district, Central, Honolulu, Leeward, Windward, Hawaii, Kauai, and Maui. The Hawaii State Teachers Association testified in support of the intent of the bill, but expressed concerns about the source of appropriations.

Your Committee finds that a registrar's functions are essential to the smooth operations of schools, and that it is important to have a full-time registrar in every secondary and community adult school. Your Committee further finds that a registrar's functions demand a lot of time, and that without adequate personnel to handle these functions, students are the most affected. Students' needs can be met on a more timely basis when there is a permanent, full-time registrar available at each school.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1390 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 196      Tourism on H.B. No. 751**

The purpose of this bill is to:

- (1) Prohibit activity desks from receiving compensation for selling the services of a specific activity provider;
- (2) Require activity desks to maintain a trust account and post a bond or obtain an irrevocable letter of credit as a condition of licensure; and
- (3) Allow activity providers to claim restitution against the bond or letter of credit should the activity desk cease operations or claim bankruptcy.

The Activity Owners Association of Hawaii and BOATS/HAWAII Inc. submitted testimony in favor of the bill. The Department of Commerce and Consumer Affairs (DCCA) commented on the measure.

Your Committee notes that DCCA indicated it would support the insertion of language of a "private right of action for injunctive relief" clause to the law as a means of giving activity providers a form of relief on this issue.

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

- (1) Allowing activity providers to file suit to prohibit an activity desk or its agents from receiving extra compensation, or another activity provider from paying extra compensation, as a condition to marketing the goods or services of a specific activity provider more than another; and
- (2) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 751, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Herkes, Ito and Saiki.

**SCRep. 197      Tourism on H.B. No. 222**

The purpose of this bill is to repeal the sunset date of the Convention Center Authority (CCA).

Testimony in support of this measure was received from two members of the CCA and the Hawaii Hotel Association.

Your Committee notes that there are several unresolved issues that the CCA is currently working, including:

- (1) Completion and acceptance of outstanding construction and warranty items that the contractor has not yet finished;
- (2) Completion of additional noise tests remaining to be performed prior to the CCA requesting a permanent liquor license for the roof top terrace area; and
- (3) Completion of a review of the local events policy, which must be adopted by rules and regulations.

Accordingly, your Committee has amended the bill by:

- (1) Extending the expiration date of the CCA to June 30, 2001, which will allow the CCA time to resolve these and other unfinished issues; and
- (2) Changing the effective date of the bill to June 29, 1999.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 222, H.D. 1, and be referred to the Committee on Finance.



Signed by all members of the Committee except Representatives Herkes, Ito and Saiki.

**SCRep. 198 Health on H.B. No. 1074**

The purpose of this measure is to terminate the Board of Osteopathic Examiners and assign its duties to the Board of Medical Examiner. It also proposes to add to the medical board a new member who is an osteopathic physician.

Your Committee received commentary from the Legislative Auditor indicating that enactment of the bill could result in a ten-member Board of Medical Examiners which could result in tie votes. It is recommended that the following Committee should consider the concerns of the Auditor.

Your Committee also received testimony in support from the Department of Commerce and Consumer Affairs Professional and Vocational Licensing Division.

The Board of Osteopathic Examiners provided testimony in opposition to the proposal.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1074 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 199 Public Safety and Military Affairs on H.B. No. 618**

The purpose of this bill is to:

- (1) Broaden the scope of the regimental discipline program to include 17-year-old juvenile offenders;
- (2) Provide for the participation of the Executive Director of the Office of Youth Services (OYS) in the administration of the program;
- (3) Provide specific guidelines for the Department of Public Safety (PSD) to implement this program; and
- (4) Appropriate funds for this program.

Government Efficiency Teams, Inc. and the Hawaii Coalition of Small Business Owners supported this measure. The OYS testified in support of the intent of this measure, but was concerned about the danger of treating juvenile and adult offenders in the same program. The Department of Public Safety opposed this measure.

Your Committee finds that although a regimental discipline program is a worthwhile tool to rehabilitate juvenile offenders, it is inappropriate to mix 17-year old juveniles with adult offenders in the same program. Mixing juvenile and adult offenders violates the spirit of the federal Juvenile Justice Delinquency Prevention Act, which states that juvenile and adult offenders detained in a secure area must have sight and sound separation.

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

- (1) Creating a two-year pilot regimental discipline program for youth offenders to be administered by OYS;
- (2) Deleting all references to youth offenders and OYS in Section 706-605.5, Hawaii Revised Statutes, relating to PSD's regimental discipline program; and
- (3) Making technical nonsubstantive amendments for purposes of clarity and style.

Your Committee finds that this measure, as amended, will provide practical guidelines for the Department of Public Safety to successfully implement a regimental discipline adult offenders program.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 618, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 618, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 200 Agriculture on H.B. No. 983**

The purpose of this Act is to authorize an emergency appropriation of an additional \$50,000 in revolving funds for fiscal year 1998-1999 to allow the Agribusiness Development Corporation (ADC) to reimburse the papaya industry for securing patent licenses needed to commercialize the transgenic papaya and carry out its ongoing projects.

The Agribusiness Development Corporation (ADC) submitted testimony in support of this measure.

Your Committee finds that a funding emergency exists to secure the patent licenses for the genetically engineered papaya proven to be resistant to the ringspot virus. Securing the patent licenses of the PRV resistant papaya is expected to ensure the economic growth and expansion of the papaya industry in Hawaii, which has been devastated by the ringspot virus disease.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 983 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kaho'ohalahala.

**SCRep. 201      Culture and the Arts on H.B. No. 746**

The purpose of this bill designates hula as the official dance of the State of Hawaii.

Testimony in support of this bill was received from the Office of Hawaiian Affairs, the Japan Hula Association, Halau Hookipa Aloha, and Ka Leo O Na Hula, A.C.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 746 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 202      Culture and the Arts on H.B. No. 750**

The purpose of this bill establishes an official color and flower or lei material for each island.

The Office of Hawaiian Affairs, Ka Leo O Na Hula, A.C., and Halau Hookipa Aloha testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 750 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 203      Culture and the Arts on H.B. No. 809**

The purpose of this bill appropriates the sum of \$10,000 to the State Foundation on Culture and the Arts for the Haleiwa Arts Festival.

Testimony in support of this bill was submitted by the Haleiwa Arts Festival Organization, residents of Haleiwa and various business in Haleiwa.

Your Committee finds that the Haleiwa Arts Festival serves a vital role in the arts community by promoting local artists in all mediums. The Festival also brings the community and businesses together in organizing a world-class art festival, which has resulted in increased awareness of the arts.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 809 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 204      Culture and the Arts on H.B. No. 1698**

The purpose of this bill is to authorize the issuance of general obligation bonds of an unspecified amount to design a Hawaii Kai Performing Arts and Technology Center at Kaiser High School.

Testimony in support of the bill was submitted by the Kaiser High School School-to-Work Office, the Hawaii State Parent Teacher Student Association, the Hawaii Film and Entertainment Board, and nine individuals. A petition supporting the bill contained numerous signatures. Also testifying in support of the bill, Kaiser High School recommended inserting the amount of \$500,000 for the design of the facility.

Your Committee finds that Kaiser High School does not have a theater, even though it was originally part of the design for the school. The facility proposed in this bill will expand opportunities in theater and technology for students, as well as provide an arts center for residents of East Honolulu.

The bill has been amended by:

- (1) Deleting participation by the State Foundation on Culture and the Arts in the project;
- (2) Inserting the figure of \$500,000 as the amount for which general obligation bonds are authorized;
- (3) Authorizing funds to be used for plans and design rather than only designing; 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 Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1698, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1698, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee.

**SCRep. 205      Culture and the Arts on H.B. No. 37**

The purpose of this bill establishes a state revolving film fund within the Department of Business, Economic Development, and Tourism. The bill also appropriates moneys for documentary film productions relating to the Pacific region.

Testimony in support of this bill was received from the County of Hawaii's Department of Research and Development, Hawaii State AFL-CIO, the Screen Actors Guild, the Hawaii Film and Entertainment Board, EpiCenter, and several interested individuals that are involved with Hawaii's film industry.

The Department of Business, Economic Development, and Tourism testified in support of the intent of the bill.

Your Committee recognizes the value of supporting Hawaii's independent film industry. The cultural impact of sharing with the world the State of Hawaii's unique and diverse culture would be significant in supporting and reviving our economy.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 37 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 206      Transportation on H.B. No. 1728**

The purpose of this bill, as received by your Committee, is to reduce noise pollution caused by beeping sounds when trucks are being reversed.

Your Committee finds that the law requires that certain large vehicles be equipped with audible warning systems to alert persons in the vicinity of the vehicle that the truck is reversing or about to reverse. Your Committee further finds that these beeping sounds, which usually sound automatically when trucks are reversing, are especially irritating at night when many people are sleeping, and near health facilities and hotels. Your Committee further finds that bright flashing lights could be used instead or in conjunction with the audible warning for the protection of persons in the vicinity of reversing vehicles.

This bill proposes that, as of January 1, 2001, all vehicles with reverse audible warning systems shall be equipped to permit the audible reverse warning systems to be turned off manually, and that bright flashing lights shall be installed in the rear of vehicles to be used whenever the vehicles are reversing.

Testimonies in support of this bill were received from the Ala Moana Residents Advisory Council, a commercial truck center, a contractors equipment corporation, and ten residents living in apartments. The Hawaii Transportation Association did not take a position on the bill, but pointed out that flashing lights are not widely recognized as a reverse warning system, but are usually used by emergency vehicles when proceeding through heavy traffic.

Your Committee has amended this bill by amending the effective date to be January 1, 2000, rather than January 1, 2001, and further amended the bill by changing the phrase "shall be equipped" on page 4, line 6, to "may be equipped." Your Committee has also made a nonsubstantive amendment for purposes of style, clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1728, H.D. 1, and be referred to the Committee on Energy and Environmental Protection.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 207      Transportation on H.B. No. 1457**

The purpose of this bill, as received by your Committee, is to help improve traffic safety by reducing the incidents of loads being spilled onto highways from trucks.

Your Committee finds that the statute requiring violators of the antispilling law to appear in court was repealed in 1995. Your Committee further finds that the decriminalization of this offense in 1995 resulted in violators not having to appear in court.

This bill proposes to require violators to appear in court, reclassifying load violations as traffic crimes, rather than civil offenses, thereby assisting the court in the enforcement process.

Testimonies in support of this bill were received from the Department of Transportation and the Judiciary.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1457 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 208      Transportation on H.B. No. 1214**

The purpose of this bill, as received by your Committee, is to facilitate the obtaining of a Hawaii commercial driver's license by persons possessing commercial driver's licenses issued by other jurisdictions.

Your Committee finds that commercial driver's licenses in all states must meet minimum federal standards. Your Committee further finds that the federal government also expects all states to honor commercial driver's licenses issued by Canadian provinces that meet the same minimum standards.

This bill proposes to allow the examiner of drivers to waive the knowledge and skills tests for any person who is at least twenty-one years of age, and who possesses a valid commercial driver's license issued by any state, or any province in the Dominion of Canada that issues licenses in accordance with federal standards for the issuance of commercial driver's licenses. Persons who have, and wish to retain, endorsements for hazardous materials must pass a knowledge test.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1214 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 209      Higher Education on H.B. No. 1352**

The purpose of this bill is to appropriate \$750,000 for the cost-sharing effort of the University of Hawaii at Manoa for the operation of the AGOR-26 oceanographic research vessel.

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

Your Committee recognizes that the AGOR-26 has superior performance capabilities that will allow the School of Ocean and Earth Science and Technology to operate more effectively and expand its global ocean observation programs in the Pacific. The School of Ocean and Earth Science and Technology now ranks third in the nation in federal funding for its ocean science programs. Its professional visibility has significantly increased the University's professional recognition as one of the key players in the formulation and execution of many of the new federal science and engineering initiatives that are long-term, interdisciplinary, and often international in scope.

It is expected that ocean science will continue to play an important role in the diversification and growth of the State's economy. In 1977, H.R. No. 106 was adopted committing support to the University of Hawaii for seagoing activities. This bill reiterates that commitment.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1352 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Okamura and Santiago.

**SCRep. 210      Higher Education on H.B. No. 81**

The purpose of this bill is to appropriate funds to establish a nanotechnology center at the University Park at the University of Hawaii at Hilo.

Testimony in support of this bill was received from the University of Hawaii at Hilo and the Mayor's Office of the County of Hawaii.

Your Committee recognizes that there is significant potential for the proposed center to enhance the quality of life of its communities through the development and commercialization of nanotechnology opportunities and their application to information and emerging technologies.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 81 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Okamura and Santiago.

**SCRep. 211 Ocean Recreation and Marine Resources on H.B. No. 1706**

The purpose of this bill is to limit the harvesting of sharks and to prohibit the harvesting of shark fins by:

- (1) Including language limiting the harvest of sharks to one per day;
- (2) Stipulating that no person shall knowingly harvest for sale, possess for sale, buy, sell, or trade shark fins; and
- (3) Establishing fines of not less than \$5,000 and not more than \$15,000.

Testimony in support of this bill was submitted by the Department of Land and Natural Resources (DLNR), the University of Hawaii's Environmental Center, the Sierra Club, the Hawaii Audubon Society, Hawaii Fishermen's Foundation, EnviroWatch Inc., and several concerned individuals.

Testimony in opposition was received by the Department of Business, Economic Development, and Tourism (DBEDT), the Western Pacific Regional Fishery Management Council, Diamond Bay Specialty Seafoods, Boats/Hawaii Inc., and several concerned commercial fishers.

Your Committee has amended the measure to allow the possession, purchase, sale, or trade of shark fins only if documentation can be provided that the fins were taken from a shark landed whole in the State.

Your Committee finds that this bill will positively address concerns over the wasteful and ecologically damaging fishing practice of harvesting a shark only for its fin.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1706, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1706, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Auwae.

**SCRep. 212 Agriculture on H.B. No. 1379**

The purpose of the bill is to allow owners of agricultural properties to subdivide their lands into parcels of not less than 50 acres for intensive agricultural purposes.

A representative of the Kamehameha Schools Bernice Pauahi Bishop Estate submitted testimony in support of the measure.

Representatives of the Board of Agriculture, the Hawaii Farm Bureau, the Office of Planning, Department of Business, Economic Development, and Tourism, and the Department of Planning and Permitting of the City and County of Honolulu submitted testimony supporting the intent and purpose of the bill, but raised some concerns.

Representatives of the Department of Water, County of Kauai and the Sierra Club, Hawaii Chapter submitted testimony in opposition to the measure.

Your Committee finds that allowing subdivisions for intensive agricultural purposes will encourage the productive use of farmland.

Your Committee has amended the measure by:

- (1) Clarifying the process for submitting a file plan of the proposed intensive agricultural subdivision; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1379, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1379, H.D. 1, and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representative Ito.

**SCRep. 213      Agriculture and Energy and Environmental Protection on H.B. No. 941**

The purpose of this bill, as received by your Committees, is to provide standards for waste-derived commercial fertilizers by:

- (1) Authorizing the Department of Health (DOH) to establish standards for commercial fertilizers that are wholly or partly derived from hazardous waste and other standards with regard to the regulation of commercial fertilizers; and
- (2) Requiring DOH to establish standards for allowable levels of nonnutritive metals in commercial fertilizers.

Hawaii's Thousand Friends submitted testimony in strong support of the measure. DOH submitted testimony in support of the intent of the measure. The Department of Agriculture and the Hawaii Agriculture Research Center submitted comments on this measure.

Your Committees note that the U.S. Environmental Protection Agency is considering adoption of an act that is similar to the Canadian Fertilizers Act and will be conducting extensive research and analysis on the environmental and health effects of recycling hazardous waste products into commercial fertilizers.

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

- (1) Deleting the substance and inserting new material that prohibits the importation into the State of any commercial fertilizer that does not meet the allowable levels of nonnutritive metals in commercial fertilizers as specified in the Canadian Fertilizers Act, as amended; and
- (2) Making technical, nonsubstantive amendment for clarity.

As affirmed by the records of votes of the members of your Committees on Agriculture and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 941, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 941, H.D. 1, and be referred to the Committee on Health.

Signed by all members of the Committees except Representative Ito.

**SCRep. 214      Legislative Management on H.B. No. 1254**

The purpose of this bill is to appropriate funds for a pilot legislative audio streaming media project to allow legislative sessions to be broadcast in streaming media format via the Internet.

The League of Women Voters, Common Cause Hawaii, Boats/Hawaii Inc., and concerned members of the community submitted testimony in support of this measure.

Your Committee finds that the public has access to televised legislative sessions through the Public Broadcast Project. However, these televised proceedings are only limited to those with access to cable television.

Streaming media makes televised hearings available through the Internet. Your Committee finds that this measure would make legislative proceedings accessible to a larger segment of the population by allowing anyone to view legislative proceedings at their convenience. All that would be needed would be a standard dial-up connection to the Internet and free software.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1254 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takamine, Kahikina and Souki.

**SCRep. 215      Health on H.B. No. 894**

The purpose of this bill is ensure equal access to health care for all residents and visitors by requiring all hospital and individual health plan contracts to provide coverage and equitable reimbursement for emergency services rendered by helicopter aeromedical services.

Maui County Emergency Medical Services submitted testimony in support of this measure. The Department of Health (DOH) submitted testimony in support of the intent of this measure. The Department of Commerce and Consumer Affairs and Kaiser Permanente submitted comments.

Your Committee finds that Section 23-51, Hawaii Revised Statutes, requires the Legislative Auditor to conduct a study assessing the social and financial impact of proposed mandated health insurance coverage. As such, your Committee has amended this measure by:

- (1) Requiring the Auditor to conduct the study and report back to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000; 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 is in accord with the intent and purpose of H.B. No. 894, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 894, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 216 Health on H.B. No. 743**

The purpose of this bill is to improve access to safe and cost-effective health care by including Advanced Practice Registered Nurses (APRN) as providers under workers' compensation, no-fault, and prepaid health care plans.

The Department of Health, the Hawaii Nurses' Association, the Hawaii Psychiatric Medical Association, the Hawaii Certified Nurse-Midwives, the Hawaii Chapter of the American Psychiatric Nurses Association, and several individuals submitted testimony in support of this measure. The Hawaii Medical Service Association submitted testimony in support of the intent of this measure. The Hawaii Medical Association submitted testimony in opposition of this measure. Kaiser Permanente submitted comments.

Your Committee finds that APRNs are currently recognized as providers under Medicare and Medicaid, and some categories of APRNs are recognized as providers under Hawaii's Med-QUEST program. APRNs are currently rendering health care services in their specialty area, and should be covered and reimbursed just as other providers are.

Your Committee has amended this measure by clarifying that health plans are responsible for providing reimbursement for covered benefits and services of a plan, not all services that any provider might make available.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 743, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 743, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 217 Health on H.B. No. 847**

The purpose of this bill is to require the Department of Health (DOH) to:

- (1) Develop service definitions for mental health services provided to members of the Felix v. Cayetano consent decree (Felix) class that correspond to Medicaid definitions of similar covered services; and
- (2) Develop a fee schedule and billing codes comparable to those used for Medicaid and QUEST purposes.

The DOH testified in support of the intent of the bill, but opposed the recommendations that will affect the delivery of services to Felix children.

Your Committee finds that principles of fairness require the establishment of a system that calls for equity among programs that are funding the services provided to members of the Felix class.

Your Committee has amended this bill by:

- (1) Delaying the implementation date of the definitions, billing codes, and fee schedule by one year, to August 31, 2000;
- (2) Delaying the report to the Legislature by one year, requiring its delivery no later than twenty days before the convening of the regular session of 2001; and
- (3) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 847, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 847, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee.

**SCRep. 218 Ocean Recreation and Marine Resources on H.B. No. 734**

The purpose of this bill is to:

- (1) Require thrill craft operators to complete a safety training course and obtain certification;
- (2) Prohibits thrill craft operations within 1,000 feet of the shoreline;
- (3) Allows citizen suits against thrill craft operators for violations;
- (4) Requires all thrill craft operators to carry liability insurance; and
- (5) Prohibits thrill craft access to State waters except from public boat launching ramps.

Supporting testimony was submitted by the Sierra Club, Windward Watersports Center, Boats/Hawaii Inc., and concerned citizens.

Testimony in opposition was received by the Department of Land and Natural Resources, Kaneohe Bay Commercial Operators Association, Windward Sea Yacht Charters, Mid-Pacific of Hawaii, Inc., and the Chairperson of the Thrill Craft Advisory Committee.

Your Committee has amended this measure to include the recommendations of the Thrill Craft Advisory Committee, which was established in 1998 by Senate Concurrent Resolution No. 128. Accordingly, your Committee has amended this bill by:

- (1) Deleting the provision on citizen suits;
- (2) Deleting the provision requiring liability insurance;
- (3) Replacing the provision requiring DLNR to establish a safety training course and to provide certification upon completion of the course with a provision for the mandatory education for owners of recreational personal watercraft;
- (4) Replacing the definition of thrill craft with the definition of personal watercrafts;
- (5) Replacing all references of "thrill crafts" to read "personal watercrafts" and;
- (6) Requiring that all personal watercraft users wear a personal flotation device which conforms to the impact resistance requirements established by the United States Coast Guard.

Your Committee finds that this bill adequately addresses the concerns over thrill craft safety without negatively impacting upon the commercial thrill craft operators.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 734, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 734, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 219 Ocean Recreation and Marine Resources on H.B. No. 1711**

The purpose of this bill is to resolve the regulation of piers in the Kaneohe Bay area by considering any unpermitted piers in Kaneohe Bay as of the effective date of this bill a nonconforming use. Nonconforming status may be continued unless certain conditions are violated.

Your Committee received overwhelming testimony in support of this measure from numerous residents and pier owners from the Kaneohe Bay area. The Board of Land and Natural Resources (BLNR) commented on this measure, making several suggested revisions...

Your Committee recognizes that the Kaneohe Bay pier problem has been a long-standing problem that needs to be resolved. There are more than 200 piers in this area, of which only about 20 are paying rent to the State, as required by law.

Many of those testifying objected to the arbitrary way in which pier rents are established by the BLNR. During the public hearing, the Chair of the BLNR made assurances to your Committee that he would resolve this issue in an equitable manner.

Further, your Committee finds that the issuance of easements for a period of not less than 55 years, pursuant to section 171-36(a)(2), Hawaii Revised Statutes, would result in a substantial return to the State while significantly reducing the accounting costs to the State.



BLNR made two recommendations:

- (1) Paragraph (9) of section 171-36(a), Hawaii Revised Statutes, which requires that all sunbathing and swimming piers built on submerged lands must have signs placed on them indicating the public's right to use the pier, should be repealed because this provision presents problems for pier owners in obtaining insurance; and
- (2) Expedite the issuance of easements for piers by including private nonresidential piers as items not requiring prior legislative and gubernatorial approval on easement dispositions.

Your Committee has amended this measure by:

- (1) Eliminating the provision that the use of submerged lands and shoreline by the pier owner be subject to an unspecified annual fee;
- (2) Adopting the BLNR recommendations;
- (3) Including a purpose and findings sections describing the issue; 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 Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1711, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1711, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Auwae.

**SCRep. 220 Public Safety and Military Affairs and Judiciary and Hawaiian Affairs on H.R. No. 22**

The purpose of this resolution is to encourage the implementation of alternatives to incarceration for nonviolent female offenders.

The American Civil Liberties Union, the Hawaii State Commission on the Status of Women, the Sex Abuse Treatment Center, the Community Alliance on Prisons, the Women's Coalition, the residents of the TJ Mahoney & Associates Transitional Program, and members of the public testified in support of this measure. The Department of Public Safety (PSD) testified in support of the intent of this measure, but commented that the scope of this measure should be expanded to include the Hawaii Paroling Authority and the Judiciary.

Upon further consideration, your Committees have amended this resolution by incorporating the recommendations of the PSD. Specifically, your Committees amended this measure by:

- (1) Urging the participation of the Hawaii Paroling Authority and the Judiciary;
- (2) Changing its title to read: "HOUSE RESOLUTION URGING THE DEPARTMENT OF PUBLIC SAFETY, THE HAWAII PAROLING AUTHORITY, AND THE JUDICIARY TO EXPLORE AND FUND ALTERNATIVES TO INCARCERATION FOR NONVIOLENT FEMALE OFFENDERS;" and
- (3) Transmitting certified copies to the Chairperson of the Hawaii Paroling Authority and the Administrative Director of the Courts.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur 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 Committees except Representatives Cachola, Hiraki, Yoshinaga and Whalen.

**SCRep. 221 Public Safety and Military Affairs and Education on H.B. No. 1090**

The purpose of this bill is to transfer responsibility for after-hours security contracts from the Department of Public Safety to the Department of Education.

The Department of Education and the Department of Public Safety submitted testimony in support of this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1090 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Chang, Morihara and Santiago.

**SCRep. 222 Education and Higher Education on H.B. No. 1749**

The purpose of this bill is to appropriate funds for the Research Corporation of the University of Hawaii (RCUH) to implement a geography education training and staff development program for public school teachers based on national geographic standards, beginning as a pilot project within the Kailua Complex schools.

Testimony in support of the bill was received from the Hawaii Geographic Alliance, the Tropical Reforestation and Ecosystems Education Center, and many concerned individuals. Testimony in support of the intent of the bill was received from the Department of Education and the Hawaii State Teachers Association.

Your Committees find that it is essential to ensure that geography is well taught by teachers and well learned by students as they prepare for effective citizenship and productive employment in the 21st century. Your Committees further find that the standards identified in Geography for Life: National Geography Standards 1994 will provide parents, teachers, students, and curriculum writers with a road map for teaching geography to all students in all schools.

Your Committees have amended the bill by:

- (1) Having the Geography Department of the College of Social Sciences of the University of Hawaii, instead of RCUH, administer the pilot program; 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 Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1749, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1749, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 223 Health on H.B. No. 661**

The purpose of this bill is to enhance 911 service for wireless phone users.

Testimony supporting the bill was received from the Police Departments of the City and County of Honolulu and the County of Hawaii. Testimony supporting the intent of the bill was received from the Department of Health.

Testimony in support of a bill with amendments providing for a limit on liability for wireless companies providing wireless enhanced 911 service was received from GTE Hawaiian Tel, Honolulu Cellular Telephone Company, and Ameritech Cellular. Testimony commenting on the proposed bill was received from the Office of Information Practices.

Testimony opposing the bill was received from the Department of Commerce and Consumer Affairs.

Your Committee finds that it is in the public interest to establish a cost recovery mechanism in accordance with the Federal Communications Commission Order so that the citizens of Hawaii who use commercial mobile phone service will realize the benefits of wireless enhanced 911 service. Your Committee also finds that a reasonable limitation of liability for wireless companies providing wireless enhanced services should be provided.

Your Committee has amended the bill by:

- (1) Inserting language contained in section -8 of S.B. No. 778 (1999) that addresses limited liability protection for wireless 911 service;
- (2) Inserting language that clarifies when an audit report reflecting the costs to operate a wireless enhanced 911 system is due;
- (3) Deleting language treating audited reports as proprietary information;
- (4) Making proprietary information subject to disclosure under chapter 92F, Hawaii Revised Statutes; and
- (5) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 661, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 224 Human Services and Housing on H.B. No. 590**

The purpose of this bill is to establish a protocol for the development and implementation of death review teams to review any adult domestic violence and sexual assault-related deaths.

The Hawaii State Commission on the Status of Women submitted testimony in support of this measure. The Department of Health submitted testimony in support of the intent of this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu submitted comments on this measure.

An identical measure passed both houses during the last legislative session and similar measures have been implemented in other states.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 590 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 225 Human Services and Housing on H.B. No. 1679**

The purpose of this bill is to make participation in long-term care (LTC) benefit plans for public employees mandatory and funded entirely by contributions by the Public Employees Health Fund (Health Fund).

The Department of Commerce and Consumer Affairs submitted testimony in support of the intent of this measure. The Department of Budget and Finance submitted comments.

Your Committee finds that the Hawaii Employers' Mutual Insurance Company (HEMIC) has taken exploratory steps as to whether it is statutorily possible and economically feasible for HEMIC to establish LTC benefit plans. Upon HEMIC's review of the statutes, it was determined that HEMIC would qualify for forming a subsidiary to offer such a plan. However, an Attorney General's interpretation is needed to qualify this determination.

Your Committee is concerned about the requirement for the Health Fund to pay the entire cost of LTC benefit plans because of the unknown financial impact on the Health Fund. It would benefit your Committee to know what the Health Fund expenses would be as well as the cost-share to employees.

Your Committee has amended this measure by:

- (1) Making LTC insurance benefit plans offered by the Health Fund:
  - (A) Mandatory for employee-beneficiaries with ten or more years of service; provided that the employee-beneficiary has the option to opt out;
  - (B) Voluntary for employee-beneficiaries with nine years of service or less; and
  - (C) Voluntary for any employee-beneficiary's spouse or reciprocal beneficiary, and qualified-beneficiaries;
- (2) Authorizing HEMIC to form a subsidiary insurance company to provide LTC benefit plans at actuarially sound rates; 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1679, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1679, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 226 Human Services and Housing on H.B. No. 904**

The purpose of this bill is to appropriate funds for various capital improvement projects:

- (1) Including upgrading the site and buildings to provide housing for the homeless at Barbers Point Naval Air Station; and
- (2) For housing improvements for federal low-rent projects.

The Housing and Community Development Corporation of Hawaii submitted testimony in support of the intent of this measure, but could not support the appropriation since it is not consistent with the Executive Budget request.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 904 and recommends that it pass Second Reading and be referred to the Committee on Public Safety and Military Affairs.

Signed by all members of the Committee except Representative Pendleton.

**SCRep. 227 Human Services and Housing on H.B. No. 1026**

The purpose of this bill is to allow insurance companies to offset their insurance premium taxes with the Low Income Housing Tax Credit.

The Housing and Community Development Corporation of Hawaii and the Department of Taxation submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1026 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Pendleton.

**SCRep. 228 Human Services and Housing on H.B. No. 1018**

The purpose of this bill is to prevent homelessness by, among other things:

- (1) Lowering the income limits for participation in the State Rent Supplemental Program (Program) from moderate to very low income levels;
- (2) Phasing in an increase in the tenant's annual payment from one-fifth to thirty percent of the tenant's annual income; and
- (3) Amending the definition of "qualified tenant" under the Program to enable single persons who are not elderly or disabled to participate in the Program.

The Housing and Community Development Corporation of Hawaii submitted testimony in support of this measure.

Your Committee has amended this measure by:

- (1) Appropriating a blank amount for the State Rent Supplement Program; 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1018, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pendleton.

**SCRep. 229 Human Services and Housing and Health on H.B. No. 272**

The purpose of this bill is to ensure better coordination of services for children and families by establishing a Partnership Planning Team to plan the implementation of a new Department of Children, Youth, and Families (Department).

The Hawaii Youths Services Network submitted testimony in support of this measure. The Center on the Family submitted testimony in support of the intent of this measure. Although the Department of Health (DOH) had strong reservations about the feasibility of creating this new Department and concerns over the cost implications, DOH supported the intent of this bill citing the need to improve the organization and coordination of services to children and families. The Office of Youth Services submitted comments.

Your Committees find that a new Department of Children, Youth, and Families would reduce the fragmentation that currently exists when policies and programs that affect the lives of children and families reside in many government agencies, some of which have missions that focus on other aspects of society. This measure will ensure that children and families will receive the priority and attention they deserve.

Your Committees have amended this measure by:

- (1) Requiring the Partnership Planning Team to consider establishing an office of Early Childhood Education and Care within the new Department;
- (2) Transferring the Office of Community Services to the new Office;

- (3) Including a representative of the Good Beginnings Alliance on the Partnership Planning Team; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 272, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 272, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committees except Representative Pendleton.

**SCRep. 230 Human Services and Housing and Health on H.B. No. 398**

The purpose of this bill is to appropriate funds for housing for persons with serious and persistent mental illness.

Housing would be organized into three levels (emergency, short-term and long-term) in order to provide the necessary options of care for such persons and to accommodate their individual needs.

The Democratic Party of Hawaii submitted testimony in support of this measure. The Housing and Community Development Corporation of Hawaii (HCDC) submitted testimony in support of the intent of this measure.

Your Committees have amended this measure by:

- (1) Providing that the HCDC expend the sum appropriated rather than the Department of Human Services;
- (2) Including the Department of Health and the Governor's Special Assistant to Housing in the development of the supportive housing options provided for in the measure;
- (3) Requiring the submission of a report by the HCDC to the Legislature prior to the convening of the Regular Session of 2000; 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 Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 398, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 398, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Pendleton.

**SCRep. 231 Human Services and Housing and Labor and Public Employment on H.B. No. 1574**

The purpose of this bill is to ensure that children's rights are protected by appropriating funds to implement a children's law center to represent the unique legal needs of Hawaii's children.

Child and Parent Advocates, the Protection and Advocacy Agency of Hawaii, Hawaii Women Lawyers, Hawaii Lawyers Care, Child and Family Service, the Keiki Injury Prevention Coalition, and one individual submitted testimony in support of this measure. The Office of Community Services submitted testimony in support of the intent of this measure.

Your Committees find that there is no single legal service provider offering legal assistance exclusively to children. A children's law center would serve a crucial role in ensuring that children, particularly those without financial and other resources, receive the legal assistance they need and have a voice in their own welfare.

Your Committees believe that it is paramount that collaboration continue between the public and private sectors to implement and fund the law center.

Your Committees have amended this measure by:

- (1) Clarifying that the children's law center would work with parents and other support services throughout the process of legally representing children;
- (2) Replacing the appropriation with \$1 for the purpose of further discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Labor and Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1574, as amended

herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1574, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees except Representatives Hiraki, Santiago and McDermott.

**SCRep. 232 Higher Education and Education on H.B. No. 387**

The purpose of this bill is to create a task force to advise the governor and the legislature on strategies to develop an education industry in Hawaii.

Testimony in support of the bill was received from the University of Hawaii and the Hawaii State Teachers Association.

Your Committees find that the education industry can be a significant contributor to the economic revitalization of the State of Hawaii by providing employment, developing institutional resources, and attracting other educational enterprises to the State.

Your Committees have amended the bill by:

- (1) Changing the membership of the task force by adding:
  - (A) A teacher appointed by the Governor;
  - (B) A representative appointed by the Superintendent of Education; and
  - (C) A representative appointed by the President of the East-West Center; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 387, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 387, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Okamura.

**SCRep. 233 Higher Education on H.B. No. 425**

The purpose of this bill is to authorize funding for various capital improvement projects for the University of Hawaii.

Testimony in support of the bill was received from the University of Hawaii.

Your Committee finds that to provide quality education, the University of Hawaii's infrastructure must be adequate. The projects contained in this bill focus on health, safety, and code requirements; faculty renewal projects; the completion of on-going projects; and new projects that are urgently needed.

Your Committee has amended this bill by:

- (1) Increasing funding for Item L (Plans for major CIP planning for University of Hawaii - systemwide) from \$155,000 to \$2,300,000 for FY 1999-2000;
- (2) Adding a total of \$4,900,000 for FY 1999-2000 for plans, design, construction, and equipment for the Institute of Reproductive Biology;
- (3) Adding a total of \$1,135,000 for FY 1999-2000 for the construction of football and soccer practice fields; and
- (4) Adding a total of \$6,000,000 for FY 1999-2000 for plans, design, and construction of a soccer and track and field stadium.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 425, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 425, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 234 Higher Education on H.B. No. 1351**

The purpose of this bill is to appropriate funds to the University of Hawaii Medical School.

The University of Hawaii testified that State funding, together with revenues generated from other sources, can position the medical school as a significant contributor to health sciences research on an international level and as an innovator in health care delivery at a national level.

In his 1999 State-of-the-State address, Governor Ben Cayetano described his vision of Hawaii becoming the healthcare and wellness center of the Pacific. For this vision to become a reality, Hawaii must be the home of a solid and credible medical school. The John A. Burns School of Medicine at the University of Hawaii must become a beacon for advanced biomedical research and high quality medical care.

Your Committee recognizes that intensive research programs attract top-quality medical specialists, provide access to leading experimental therapeutic procedures, generate intellectual capital that fuels economic activity, and bring in lucrative extramural grants and contracts.

Pursuing state-of-the-art biomedical research in turn enriches the instruction programs of the medical school, strengthening the symbiotic partnership formed with the medical community. These programs in research and instruction advance the role of the health care industry, which is critical to revitalizing the State's economy.

Your Committee also recognizes that there needs to be broad support and strong commitment from the medical community, as well as the Executive branch of the state government, to effectuate this vision.

The bill has been amended by:

- (1) Adding a purpose section to express the intent of establishing Hawaii as healthcare and wellness center of the Pacific; and
- (2) Inserting the figure of \$3,000,000 as the amount appropriated for each year of the fiscal biennium 1999-2001.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1351, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1351, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Okamura and Santiago.

**SCRep. 235 Higher Education on H.B. No. 1353**

The purpose of this bill is to appropriate funds for the Marine Bioproducts Engineering Center (MarBEC) at the University of Hawaii at Manoa.

The University of Hawaii testified in support of the intent of the bill.

Your Committee recognizes that the diversity of marine life indicates that various new high-value bioproducts may be discovered, developed, and commercialized, leading to a potentially significant contributor to the economic development of Hawaii. To exploit this exciting area, MarBEC was established to support a multidisciplinary cooperative effort among engineering, marine, and biological sciences.

The budget of MarBEC from the National Science Foundation (NSF) for the first five years is \$12,400,000. On the average, about 60 percent of the budgets of NSF engineering research centers is equally supported by NSF and the industry. The rest is provided by other federal agencies, the host university, and other sources. As such, there is a requirement of cost sharing for fiscal year 1999-2000. This bill appropriates \$1,000,000 as start-up funds, as well as \$720,000 in salaries, for the State's share of the costs.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1353 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Okamura and Santiago.

**SCRep. 236 Tourism on H.B. No. 1014**

The purpose of this bill is to:

- (1) Allow the Convention Center Authority to sunset on June 30, 1999;
- (2) Assign the responsibility to market, operate, manage, and maintain the Hawaii convention center facility to the Hawaii Tourism Authority;
- (3) Transfer the balance of the Hawaii Convention Center Capital and Operation Special Funds to the Tourism Special Fund; and

- (4) Assign the funding responsibility for the convention center debt service and operating requirements to the Hawaii Tourism Authority.

The Department of Business, Economic Development, and Tourism testified in support of the bill. The Hawaii Hotel Association and the Maui Hotel Association submitted testimony opposing the bill. The Tax Foundation of Hawaii commented on the bill.

Your Committee has amended the bill by:

- (1) Leaving the repeal date for the Hawaii Convention Center Authority blank for purposes of further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1014, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1014, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Ito and Saiki.  
(Representative Kaho'ohalahala voted no.)

**SCRep. 237 Labor and Public Employment on H.B. No. 147**

The purpose of this measure is to require the investment of Employees' Retirement System (ERS) funds in investments that create direct economic benefits in Hawaii, subject to unspecified minimum and maximum limits.

The Hawaii State Teachers Association supported the intent of this measure, but had reservations in "requiring" the ERS to invest in economically-targeted investments. The Employees' Retirement System commented on this measure.

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

- (1) Deleting the requirement that the ERS invest in economically-targeted investments;
- (2) Allowing ERS the option to invest in investments that provide Hawaii with direct economic benefits; and
- (3) Making other technical, nonsubstantive amendments for clarification purposes.

Your Committee finds that the ERS has a fiduciary responsibility to invest beneficiaries' funds in financially sound investments. While bolstering Hawaii's economy is a noble and needed concept, the primary concern for the ERS should be to provide its beneficiaries with the highest return on investments. Your Committee encourages the ERS to invest in instruments, which provide Hawaii with direct economic benefit, but finds that it is not financially responsible or sound to mandate the ERS to invest in such instruments.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 147, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 147, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa and Okamura.  
(Representative Rath voted no.)

**SCRep. 238 Labor and Public Employment on H.B. No. 1043**

The purpose of this bill is to:

- (1) Exempt the Public Employees Health Fund Administrator (Administrator) from state civil service laws;
- (2) Specify that the Administrator's salary be within the range established for departmental deputy directors; and
- (3) Allow the Administrator to become a member of the State Employees' Retirement System and receive benefits from any State or Federal employee benefit program.

The Board of Trustees of the Hawaii Public Employees Health Fund commented on this measure.

Your Committee finds that by changing the Administrator's position to an exempt hire, the pool of candidates should widen. Thus, this measure will allow the Board to hire an Administrator with a potentially higher level of expertise and competency.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1043 and recommends that it pass Second Reading and be referred to the Committee on Finance.



Signed by all members of the Committee except Representatives Goodenow, Hamakawa and Okamura.  
(Representative Rath voted no.)

**SCRep. 239 Labor and Public Employment on H.B. No. 1035**

The purpose of this bill is to:

- (1) Allow the Board of Trustees (Board) of the Employees' Retirement System to appoint a chief investment officer and an assistant administrator; and
- (2) Mandate that the Attorney General serve as legal adviser to the board.

Currently, the Board has discretion to select its own legal counsel.

The Hawaii State Teachers Association submitted testimony in support of this measure and offered an amendment specifying that the assistant administrator position would remain a civil service position.

The Employees' Retirement System submitted comments.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1035 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 240 Labor and Public Employment on H.B. No. 97**

The purpose of this bill is to increase the post retirement allowance for government employees.

Your Committee received testimony in support of the measure from a representative of the Hawaii State Teachers Association and testimony commenting on the measure from representatives of the Employees' Retirement System of the State of Hawaii and the Coalition of Hawaii State/Counties Retirees, Inc.

Your Committee finds that a single, fully-funded permanent cost of living increase program would lend more certainty to the retirement system than the current renewable "bonus" program. In addition, a permanent system would provide for a progressive method for dealing with increased costs of living.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 97 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 241 Labor and Public Employment on H.B. No. 517**

The purpose of this bill is to provide that no person who is required to register with the federal Selective Service System shall be eligible for state or county employment unless the person provides written documentation that the person has registered or is otherwise in compliance with the Military Selective Service Act.

The Selective Service System, the Selective Services System's Local Board No. 5, and the United Public Workers submitted testimony in support of this measure. The American Friends Service Committee submitted testimony in opposition to this measure.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 517, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 517, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 242 Labor and Public Employment on H.B. No. 104**

The purpose of this measure is to:

- (1) Require the Employee-Union Trust Concept Committee (EUTCC) to appoint two co-chairs to represent:
  - (a) State and county public employers; and

- (b) Public employee organizations;
- (2) Include one retired public employee representative in the EUTCC;
- (3) Require the EUTCC to incorporate into its proposal a plan to incorporate retirees into the trust structure;
- (4) Require three progress reports by the EUTCC;
- (5) Require two annual action plans by the EUTCC;
- (6) Require submittal of a final report by the EUTCC before the 2001 Regular Session; and
- (7) Terminate the EUTCC on June 30, 2001.

The Oahu Retired Teachers Association, the Retired Hawaii State Teachers Association, the Hawaii Government Employees Association, and the Hawaii State Teachers Association testified in support of this measure. The Department of Budget and Finance supported the intent of this measure, but commented that the incorporation of retirees should be further reviewed. The Hawaii Public Employees Health Fund commented on this measure.

Your Committee finds that the EUTCC is an ideal mechanism to provide quality healthcare coverage for employees and retirees while controlling costs for such healthcare coverage. Your Committee further finds that this measure promotes the continued efforts of the EUTCC to find alternatives to current ways of providing health benefits to public employees.

Your Committee has amended this measure by making technical, nonsubstantive amendments for clarification purposes.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 104, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 243 Labor and Public Employment on H.B. No. 1071**

The purpose of this measure is to allow the Insurance Commissioner to hire staff attorneys, exempt from the state civil service laws.

The Department of Commerce and Consumer Affairs testified in support of this measure. The State Farm Insurance Companies commented on this measure.

Your Committee has amended this measure 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 Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1071, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1071, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Hiraki.  
(Representative Rath voted no.)

**SCRep. 244 Public Safety and Military Affairs on H.B. No. 1222**

The purpose of this bill is to provide tax incentives for the hiring of recently released felons.

The Hawaii Paroling Authority, the Department of Public Safety, the Community Alliance on Prisons, T.J. Mahoney and Associates, the Hawaii Parole Board, and members of the public testified in support of the measure. The Department of Taxation opposed the measure. The Tax Foundation of Hawaii, the Iron Workers Stabilization Fund, and individual members of the public commented on the bill.

Your Committee finds that paroled felons face great hurdles when attempting to find employment after release from incarceration. Many who cannot find gainful employment often return to crime as a last resort.

Your Committee believes that a tax incentive, as proposed in this measure, will increase the likelihood that released felons will find gainful employment and become useful, productive members of our society.

Your Committee has amended this bill by:

- (1) Adding language to clarify the purpose of this measure;

- (2) Adding language to provide tax incentives for the hiring of work release inmates as well as parolees;
- (3) Replacing the term "qualified parolee" with the term "qualified offender" to clarify that work release program inmates are also included in the tax relief measure;
- (4) Providing that the tax credit is graduated over two years; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1222, H.D. 1, and be referred to the Committee on Economic Development and Business Concerns.

Signed by all members of the Committee.

**SCRep. 245      Public Safety and Military Affairs on H.B. No. 1297**

The purpose of this measure is to appropriate funds for various capital improvement projects at:

- (1) Halawa Correctional Facility (HCF);
- (2) Oahu Community Correctional Center;
- (3) Kulani Correctional Facility; and
- (4) Maui Community Correctional Center (MCCC).

The Department of Public Safety testified in support of this measure, with suggested technical amendments.

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

- (1) Deleting specific reference to a fourteen-camera video system, including installation of a video system in HCF's disciplinary and administrative segregation units, and appropriating \$50,000 for design and construction for the Halawa medium security facility;
- (2) Including satellite adjuncts for proposed renovation and expansion at MCCC, allowing the Department of Public Safety to use funds designated for MCCC improvements to match available federal funds, and appropriating \$150,000 for plans, design, and construction at MCC; 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 Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1297, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1297, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 246      Water and Land Use and Energy and Environmental Protection on H.B. No. 800**

The purpose of this bill is to amend the definition of "potential natural area reserve" by removing reference to other lands or waters meeting criteria established by the natural area reserves system commission.

Your Committees received testimony as follows:

1. Board of Land and Natural Resources, Hawaii Society of American Foresters, Hawaii Forest Stewardship Advisory Committee, C.A.M. Resource Management, in support; and
2. Sierra Club, in opposition.

Your Committees find that current law prevents the Forest Stewardship Program from assisting private landowners whose properties are considered "potential natural area reserves." Thus, many relatively healthy forests on private land slide into a state of decline for lack of active management. This land management is essential in efforts to halt the spread of non-native plants and inappropriate land uses, such as cattle grazing.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 800 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

**SCRep. 247 Water and Land Use and Ocean Recreation and Marine Resources on H.B. No. 1183**

The purpose of this bill is to provide for restoration of beach lands.

Your Committees received testimony as follows:

1. Office of Planning of the Department of Business, Economic Development, and Tourism, Board of Land and Natural Resources, City and County of Honolulu Department of Planning and Permitting, a University of Hawaii professor, Sierra Club Hawaii Chapter, in support;
2. Office of Hawaiian Affairs, three private citizens, in opposition; and
3. One private citizen, offering comment.

Your Committees find that loss of sandy beaches is a major environmental, social and economic problem. Nearly 25 percent or 17 miles of sandy beaches on Oahu have been lost or severely narrowed over the past 70 years, and similar losses have occurred on Maui, and to a lesser extent, Kauai and Hawaii. To reverse this loss, the Department of Land and Natural Resources and the University of Hawaii Department of Geology and Geophysics developed the Coastal Erosion Master Plan (COEMAP) in 1997 which made technical and policy recommendations for shore and beach management and protection. Subsequently, the Department of Land and Natural Resources established the Coastal Lands Program to implement the COEMAP recommendations.

The Coastal Lands Program, in order to fully carry out its mission, requires statutory authorization and funding. Private landowners affected by beach restoration action may receive substantial benefit from the improvements and the Department of Land and Natural Resources should actively seek contributions from such landowners to help fund the beach restoration projects.

Your Committees revised the bill by:

1. Requiring the permission of any owners of private land affected by beach restoration;
2. Clarifying that only state-owned land may be leased or developed;
3. Removing the \$500,000 limit on revenues generated from the leasing of coastal lands under this part;
4. Changing the effective date for the appropriations to July 1, 1999; and
5. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Ocean Recreation and Marine Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1183, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1183, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Auwae.

**SCRep. 248 Water and Land Use on H.B. No. 1409**

The purpose of this bill is to allow the Land Use Commission to charge fees for court reporters and other types of fees to be determined by the commission.

Your Committee received testimony as follows:

1. Land Use Commission, in support; and
2. Hilo Reporters, offering comment.

Your Committee finds that the Land Use Commission has not increased its fees in more than ten years and this bill will allow the commission to recover more of their expenses.

Your Committee revised the bill by:

1. Changing "court reporter fees" to "court reporter expenses";

2. Changing "any other fees" to "any other reimbursements for hearing expenses"; 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 Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1409, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1409, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 249 Water and Land Use on H.B. No. 1593**

The purpose of this bill is to designate the respective manager and chief engineer of the county boards of water supply as the chief procurement officers for the county departments of water supply.

Your Committee received testimony as follows:

1. County of Kauai Department of Water, County of Hawaii Department of Water Supply, in support; and
2. Department of Accounting and General Services, offering comment.

Your Committee finds that having separate procurement officers for the county water departments would be more appropriate to their status as autonomous bodies with decisionmaking and funds separate from the rest of the county administrations.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1593 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 250 Human Services and Housing and Health on H.B. No. 646**

The purpose of this bill is to provide a mechanism whereby operators of Type I adult residential care homes are guaranteed an opportunity to defend themselves in cases of alleged misconduct against residents, including abuse and neglect.

Specifically, the bill requires the Department of Human Services to convene an ad hoc complaint committee, as a first step, to hear presentations from Type I adult residential care home operators only, to determine whether the allegations are sufficient to warrant a continuation of the review process under part X, chapter 346, Hawaii Revised Statutes. If sufficient, the Department of Human Services is required to proceed with further investigation or review. The bill requires the Department of Human Services to withdraw its client immediately if a charge of abuse or neglect is involved, but prohibits the withdrawal of a client during the review process if the alleged misconduct does not involve abuse or neglect. The bill also gives all interested parties involved the right to seek other remedies including judicial action.

Your Committees received testimony from various interested parties and wish to note two items of discussion:

- (1) Setting of a two-week limit for appealing any decision regarding a finding of abuse or neglect; and
- (2) The need to have this bill, as amended, to be considered by the Committee on Consumer Protection and Commerce to which this bill is referred.

Upon further consideration, your Committees have amended this bill by slightly amending section 1 of the bill reflecting the changed purpose of the bill and by deleting its substance, which is contained in section 2, providing for the creation of the ad hoc complaint committee and its operation. In its place, your Committees have substituted a new section 2 containing the following provisions:

- (1) Creating a two-year adult protective services review panel for involuntary removal of residents from adult residential care homes demonstration project on Oahu, within the Department of Human Services;
- (2) Requiring the Department of Human Services, upon receiving a report of alleged abuse or neglect of a resident, to notify and keep informed the Department of Health;
- (3) Requiring the Department of Human Services to investigate whether abuse or neglect has occurred;
- (4) If abuse or neglect is determined to have occurred, and removal of the resident is necessary, requiring the adult protective services worker to:
  - (A) Discuss the removal from the care home with the care home operator and the resident and obtain the resident's consent to place the resident in another appropriate facility;

- (B) If the resident has the capacity to make his or her own decisions, the adult protective services worker shall abide by the wishes of the resident regarding where the resident wishes to live;
  - (C) If the resident does not have the capacity to make his or her own decisions, the adult protective services worker shall contact the resident's guardian to obtain consent to place the resident in another appropriate facility;
  - (D) If the guardian cannot be contacted in a timely manner, the adult protective services worker shall place the resident in another appropriate facility and shall contact the guardian as soon as possible following the placement. If the resident does not appear to have the capacity to make his or her own decisions, and does not have a guardian, the adult protective services worker shall consult with the Department of the Attorney General regarding the need for a court order for immediate protection; and
  - (E) If the resident has a case manager, the case manager shall be notified of the actions taken by the adult protective services worker and shall take part in decisions regarding the resident as appropriate;
- (5) Allowing the operator to request a review of the removal of a resident if:
    - (A) A resident who has the capacity to make his or her own decisions is removed against the resident's wishes; or
    - (B) The resident's guardian does not concur with the removal;
  - (6) Prohibiting a review if the resident's removal was ordered by the Family Court;
  - (7) Providing for the making of a request for review by the accused operator;
  - (8) Creating the review panel and specifying its membership, including the Department of Health;
  - (9) Providing for the specific operation of the review panel, including:
    - (A) Reviewing a written summary submitted by the the adult protective services worker regarding the circumstances of the alleged incident of abuse or neglect;
    - (B) Reviewing the oral or written summary of pertinent information presented by the care home operator requesting the review;
    - (C) Reviewing the report of the Protection and Advocacy Agency of Hawaii after an interview with the resident; and
    - (D) Deciding whether the action taken by the Department of Human Services was warranted;
  - (10) Requiring the review panel proceedings to be audiotaped and stored in the Department of Human Services and distributing copies of the review panel findings to the:
    - (A) Director of Human Services;
    - (B) Director of Health;
    - (C) Oahu Adult and Community Care Services Section Administrator of the Department of Human Services;
    - (D) Care home operator requesting the review;
    - (E) Members of the review panel; and
    - (F) Resident who is the subject of the alleged abuse or neglect or the resident's guardian;
  - (11) Making all information presented during the review panel proceedings confidential; and
  - (12) Requiring the Department of Human Services, assisted by the Department of Health, to evaluate the effectiveness of the project and report findings and recommendation to the legislature no later than twenty days prior to the regular session of 2001.

Your Committees have also amended section 3 of the bill to repeal the Act on June 30, 2001.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 646, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 646, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representative Pendleton.

**SCRep. 251 Human Services and Housing on H.B. No. 876**

The purpose of this bill is to allow a parent who does not contest his or her child support obligations and who is in good standing with such payments to opt out of the Child Support Enforcement Agency payment system.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 876 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 252 Human Services and Housing on H.B. No. 1017**

The purpose of this bill is to authorize the Housing and Community Development Corporation of Hawaii (HCDCH) to issue an additional \$500,000,000 in tax-exempt revenue bonds for the Hula Mae Single Family Mortgage Purchase Program.

HCDCH submitted testimony in support of this measure.

Your Committee finds that this measure further assists Hawaii's low and moderate income families to purchase their first homes.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1017 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pendleton.

**SCRep. 253 Human Services and Housing on H.B. No. 1120**

The purpose of this bill is to repeal section 346-64, Hawaii Revised Statutes (HRS), which is unnecessary as it deals with personal care services which are now provided through the home and community-based Medicaid waiver programs, chapter 346D, HRS.

Testimony in support of the bill was received from the Department of Human Services. Testimony in opposition to the bill was received from Advocates for Independent Living and Irvine's Architectural Products.

Your Committee finds that this is a housekeeping measure which will not eliminate any existing benefits. Personal care services will continue to be funded under the Medicaid waiver programs.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1120 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 254 Human Services and Housing on H.B. No. 1124**

The purpose of this bill is to restructure the State Advisory Council on Rehabilitation, including renaming it the State Rehabilitation Council, to conform with the federal Rehabilitation Act of 1998.

The Department of Human Services, the Commission on Persons With Disabilities, and the Workforce Development Council submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1124 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 255 Human Services and Housing on H.B. No. 1575**

The purpose of this bill is to ensure the safety and comfort of the delegates of the Millennium Young People's Congress (Congress) by making an appropriation to fund home stays with host families and for planning, coordination, transportation, and family support stipends.

The Hawaii Community Services Council, an advisory committee member of the Congress, and many individuals submitted testimony in support of this measure.

In October 1999, 1,000 young people, from 189 countries and territories, will be in Hawaii for a five-day Congress to discuss and present their priorities for the next millennium. Your Committee finds that the appropriation to assist host families will help make the Congress a success.

Your Committee has amended this measure by:

- (1) Appropriating the funds to the Office of Youth Services instead of the Department of Business, Economic Development, and Tourism; 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1575, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1575, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 256 Economic Development and Business Concerns on H.B. No. 133**

The purpose of this bill is to fund the small business defender position and other support personnel.

Your Committee notes that the small business defender position was established, but not funded, by Act 168, Session Laws of Hawaii 1998, the Hawaii Small Business Regulatory Flexibility Act.

The Chair of the Office of Hawaiian Affairs' Government Affairs and Sovereignty Committee, the National Federation of Independent Business Hawaii, and the Hawaii Business League submitted testimony in support of the measure. The Department of Business, Economic Development, and Tourism submitted testimony in support of the intent of the measure.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 133 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Ito, Saiki, Halford and Whalen.

**SCRep. 257 Economic Development and Business Concerns and Transportation on H.B. No. 1361**

The purpose of this bill is to protect consumers against the risk of loss from advance purchases of charter tours from charter tour operators by requiring that charter tour operators:

- (1) Be licensed; and
- (2) Provide evidence of their financial ability to perform their contractual obligations, together with periodic financial reporting.

This bill also provides for greater regulatory supervision of charter tour operators by the State, including enhanced authority to conduct audits and examinations of charter tour operators.

Testimony in support of this measure was received from Boyd Gaming Corporation. Testimony in support of the intent of this measure was received from the Department of Commerce and Consumer Affairs.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1361 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representatives Abinsay, Catalani, Ito, Morihara, Saiki, Suzuki and Yoshinaga.

**SCRep. 258 Education on H.B. No. 519**

The purpose of this bill is to provide for the staggering of the terms of the members of the Hawaii Teachers Standard Board (Board) beginning in 2001.

Your Committee received testimony in support of this bill from the Department of Education, the Hawaii State Teachers Association and the Board.

Your Committee finds that the Board is working to ensure that qualified teachers are employed to educate Hawaii's public school children. Your Committee also finds that the seven appointed Board members currently serve terms that are congruent, and their



terms all end in 2001. With passage of this bill, new Board members appointed after 2001 will be able to learn from veteran board members, thus ensuring greater consistency in Board activities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 519 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Okamura and Santiago.

**SCRep. 259      Education on H.B. No. 887**

The purpose of this bill is to appropriate funds for the Hawaiian Language Immersion Program, Ka Papahana Kaiapuni Hawaii.

Testimony in support of this measure was received from the State Representative from the Seventh District and various other individuals.

Your Committee finds that the culture of a people is preserved in its language. When a language is forgotten, a culture is lost. This bill seeks to help preserve the Hawaiian culture through its language.

The Hawaiian Immersion Program, Ka Papahana Kaiapuni Hawaii, began in 1987 on a small scale as a pilot project. Since then it has endured many hardships and overcome many barriers, including a lack of resources. Today, through the collaborative efforts of teachers, parents, and community members, instruction in the Hawaiian language is being offered in fourteen sites encompassing grades kindergarten through eleven and enrolling 1,350 students throughout the State.

The success of the program is indisputable. Yet much more could be done if additional resources were available. This bill seeks to provide those resources.

During the discussion of the bill, the issue was raised about whether Hawaiian immersion schools should be considered schools of choice or schools that students have a right to attend. In this regard, it should be noted that the Hawaiian language is one of the two official languages of the State of Hawaii, the other being English. As schools of choice, the State is not obligated to provide transportation for students. However, as schools of right, the State would be required to provide transportation for students who live at a distance from the nearest Hawaiian immersion school. Your Committee urges the Board of Education to consider this issue at its earliest convenience.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 887 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 260      Education on H.B. No. 1169**

The purpose of this bill is to extend the authority of the State Librarian to administratively reallocate vacant positions and to establish temporary positions until 2002.

Testimony in support of this bill was received from the Department of Education and Information Services. The Hawaii Government Employees Association testified in opposition to the bill.

Your Committee finds that the state budget crisis has impacted the Hawaii Public Library System more than many other state agencies. The flexibility given to reallocate vacant positions and to establish temporary positions will enable it to more effectively cope with this difficult situation.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1169 and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 261      Education on H.B. No. 1288**

The purpose of this bill is to finance the expansion of the Hawaiian Language Immersion Program at Princess Nahienaena Elementary School in Lahaina, Maui.

Testimony in support of this bill was received from the Native Hawaiian Education Council, the Office of Hawaiian Affairs, the State Representative from the Seventh District, and seven other individuals.

Your Committee finds that the culture of a people is preserved in its language. When a language is forgotten, a culture is lost. This bill seeks to help preserve the Hawaiian culture through its language.

The Hawaiian Language Immersion Program, Ka Papahana Kaiapuni Hawaii, began in 1987, and today instruction in the Hawaiian language is being offered in fourteen sites encompassing grades kindergarten through eleven and enrolling 1,350 students throughout the State. The success of the program is indisputable.

In Lahaina, a Hawaiian language immersion preschool will "graduate" its first class in a few months. Without an immersion kindergarten in the area to attend, these Punana Leo O Lahaina Hawaiian Language Immersion Preschool pupils will have little choice but to attend kindergarten classes taught in English. This bill seeks to expand the Hawaiian Language Immersion Program to Lahaina so that these pupils may continue their education in an Hawaiian language immersion class.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1288 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 262 Energy and Environmental Protection on H.B. No. 595**

The purpose of this bill is preserve scenic resources in the State by:

- (1) Establishing strict guidelines for the Board of Land and Natural Resources (BLNR) to use when considering applications for the construction of high voltage electric power transmission lines within the State conservation district;
- (2) Requiring BLNR to conduct public hearings on these applications; and
- (3) Specifying that the approval of such applications requires the affirmative vote of a majority of BLNR members.

Na Leo Pohai, the Sierra Club, Hawaii Chapter, Life of the Land, Hawaii's Thousand Friends, and an individual testified in support of this measure. The Department of Land and Natural Resources, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and Kauai Electric opposed this bill. The University of Hawaii's Environmental Center offered comments.

Your Committee finds that overhead high voltage electric transmission lines degrade the State's vital natural landscape. Ideally, such practices should be avoided, especially within the conservation district. At the same time, however, restricting the placement of these lines along ridges and slopes provides utility companies with only few alternatives, most of which are costly to consumers. Accordingly, your Committee recognizes the need to strike a balance between ensuring that the consumer cost for basic utilities be affordable and preserving the quality of our natural resources.

Upon further consideration, your Committee has amended this bill by providing BLNR with flexibility in reviewing an application by:

- (1) Requiring BLNR to consider and make a determination on the guidelines rather than adhering to them;
- (2) Specifying that the guidelines are not strict standards but rather descriptions of the visibility of transmission lines and related structures; and
- (3) Directing BLNR to deny the application whenever it determines that any of the guidelines has been met, unless the applicant demonstrates that every alternative has been considered to avoid or mitigate the guideline, and that the guideline cannot be avoided or mitigated.

This bill was further amended by:

- (1) Emphasizing that an applicant may not automatically construct high voltage electric power transmission lines even if BLNR fails to render a timely decision; and
- (2) Making technical, nonsubstantive amendments for purposes 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 H.B. No. 595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 595, H.D. 1, and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee.

**SCRep. 263 Economic Development and Business Concerns on H.B. No. 1029**

The purpose of this bill is to make improvements to the consolidated application process by:

- (1) Changing its name to "facilitated application process";

- (2) Expanding the membership of the Permit Process Task Force (Task Force);
- (3) Limiting the Task Force's purpose of facilitating the state permit approval process to county building permit applications requiring state agency approval; and
- (4) Providing a sunset date of the Task Force to June 30, 2002.

The Department of Business, Economic Development, and Tourism submitted testimony in support of this measure. The Sierra Club, Hawaii Chapter, testified in opposition to this measure.

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

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1029, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1029, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Ito and Saiki.

**SCRep. 264 Economic Development and Business Concerns on H.B. No. 1078**

The purpose of this bill is to simplify the business registration process in the State by:

- (1) Clarifying and updating the statutes governing business registration under the Hawaii Business Corporation and the Hawaii Nonprofit Corporation Acts;
- (2) Requiring each corporation to have a registered office and registered agent in the State; and
- (3) Allowing domestic corporations to amend and restate its articles of incorporation at any time by complying with procedures and requirements under sections 415B-37 and 415B-40, Hawaii Revised Statutes.

The Business Registration Division of the Department of Commerce and Consumer Affairs submitted testimony in support of this measure.

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

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1078, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1078, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Ahu Isa, Ito and Saiki.

**SCRep. 265 Economic Development and Business Concerns on H.B. No. 1079**

The purpose of the bill is to allow corporations, partnerships, limited liability partnerships, and limited liability companies to convert to another form of business entity provided for under Hawaii law.

Testimony in support of the measure was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Business League, and the Business Law Section of the Hawaii Bar Association.

Your Committee finds that current law is unclear on the process of converting business entities from one form to another, thus discouraging new businesses from organizing in Hawaii. This measure will streamline and clarify the process of converting business entities, resulting in savings of both time and money.

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

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1079, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1079, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Ito and Saiki.

**SCRep. 266 Economic Development and Business Concerns on H.B. No. 1080**

The purpose of this bill is to enable a corporation, partnership (including a limited liability partnership), and a limited liability company to seek administrative relief against an entity that has registered or is using a substantially identical or confusingly similar name.

The Business Registration Division of the Department of Commerce and Consumer Affairs and the Business Law Section of the Hawaii State Bar Association testified in support of the bill.

Your Committee finds that businesses in Hawaii need a convenient, expeditious, and inexpensive process through which they can resolve disputes involving the use of business names. This bill provides such a process and would alleviate businesses from the financial burden of resolving these disputes by civil litigation.

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

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1080, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1080, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Ito and Saiki.

**SCRep. 267      Water and Land Use on H.B. No. 796**

The purpose of this bill is to effectuate its title.

Your Committee has amended the bill to add the substantive contents so that a public hearing may be held on its substantive contents.

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 action to report out H.B. No. 796, as amended herein, and recommends that it be recommitted to the Committee on Water and Land Use, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 796, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Takumi and Meyer.

**SCRep. 268      Water and Land Use on H.B. No. 797**

The purpose of this bill is to effectuate its title.

Your Committee has amended the bill to add the substantive contents so that a public hearing may be held. As amended, the bill provides for allowing the hunting of game birds on a licensed private or commercial preserve by a resident of another country if the hunter possesses a valid hunting license issued by the hunter's native country.

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 action to report out H.B. No. 797, as amended herein, and recommends that it be recommitted to the Committee on Water and Land Use, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 797, H.D. 1.

Signed by all members of the Committee except Representatives Morita, Takumi and Meyer.

**SCRep. 269      Public Safety and Military Affairs and Judiciary and Hawaiian Affairs on H.C.R. No. 24**

The purpose of this concurrent resolution is to request the department of public safety to strengthen its attempts to deal with prison overcrowding.

The director of the Department of Public Safety submitted testimony in support of the intent of this measure. A private citizen submitted general comments on this measure.

Your Committees find that although the Corrections Population Management Commission has recently reconvened, this concurrent resolution will nonetheless signify the legislature's intent to see that the Commission's efforts are vigorously pursued.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 24, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Hiraki, Yoshinaga and Whalen.

**SCRep. 270      Public Safety and Military Affairs and Judiciary and Hawaiian Affairs on H.C.R. No. 35**

The purpose of this concurrent resolution is to encourage the implementation of alternatives to incarceration for nonviolent female offenders.

The American Civil Liberties Union, the Hawaii State Commission on the Status of Women, the Sex Abuse Treatment Center, the Community Alliance on Prisons, the Women's Coalition, the residents of the TJ Mahoney & Associates Transitional Program, and members of the public testified in support of this measure. The Department of Public Safety (PSD) testified in support of the intent of this measure, but commented that the scope of this measure should be expanded to include the Hawaii Paroling Authority and the Judiciary.

Upon further consideration, your Committees have amended this concurrent resolution by incorporating the recommendations of the PSD. Specifically, your Committees amended this measure by:

- (1) Urging the participation of the Hawaii Paroling Authority and the Judiciary;
- (2) Changing its title to read: "HOUSE CONCURRENT RESOLUTION URGING THE DEPARTMENT OF PUBLIC SAFETY, THE HAWAII PAROLING AUTHORITY, AND THE JUDICIARY TO EXPLORE AND FUND ALTERNATIVES TO INCARCERATION FOR NONVIOLENT FEMALE OFFENDERS;" and
- (3) Transmitting certified copies to the Chairperson of the Hawaii Paroling Authority and the Administrative Director of the Courts.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 35, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 35, H.D. 1.

Signed by all members of the Committees except Representatives Cachola, Hiraki, Yoshinaga and Whalen.

**SCRep. 271 Labor and Public Employment on H.B. No. 1159**

The purpose of the bill is to bring Hawaii into compliance with the Federal Workforce Investment Act of 1998 (Act).

Your Committee received testimony in support of the measure from the Department of Labor & Industrial Relations, the Department of Human Services, the Workforce Development Council, the Department of Business, Economic Development, and Tourism, and the Office of the State Director for Vocational Education.

Your Committee finds that bringing Hawaii into compliance with the Act is necessary for the State to receive approximately \$17,000,000 authorized by the Act. These funds will be used by the Department of Labor & Industrial Relations for workforce policies; planning and evaluation; one-stop center services; adult, youth, and dislocated worker employment and training services, and the research and statistics program.

Your Committee has amended this measure by:

- (1) Correcting a reference to the Perkins Act;
- (2) Designating the Workforce Development Council as the state entity for Section 188 of the new Perkins Act; and
- (3) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1159, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 272 Health on H.B. No. 196**

The purpose of this bill is to provide adequate health care for the residents of Lahaina, Maui, by building a community hospital in Lahaina.

The Department of Health (DOH) submitted testimony in support of the intent of this measure. The Hawaii Health Systems Corporation testified in support of improving and expanding health services to West Maui, but not in support of creating new hospital.

Your Committee finds that, while Lahaina has a warranted need for an additional health care facility, the cost of building a community hospital is exorbitant.

Your Committee has amended this measure by:

- (1) Deleting the provisions:
  - (A) Establishing a community hospital; and
  - (B) Authorizing the funds needed to build this facility;
- (2) Requiring DOH to conduct a needs assessment of the medical needs of the Lahaina and West Maui communities; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 196, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 196, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 273 Health on H.B. No. 877**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for the purpose of assisting Kuakini Medical Center.

Kuakini Health System testified in strong support of this measure, assuring the funds would be dedicated for financing at lower tax-exempt rates the construction of new health care facilities, renovating existing facilities, and purchasing equipment.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 877 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 274 Health on H.B. No. 908**

The purpose of this bill is to appropriate funds for both FY 1999-2000 and FY 2000-2001 for the Ka'u rural health plan to include a Ka'u Hospital emergency room, a CPR/first aid demonstration project, and a transportation coordinator.

The Office of Hawaiian Affairs and various private physicians and citizens testified in strong support of the measure. A substantial community petition was submitted also in support. The Department of Health testified in support of the intent of the measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 908 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 275 Health on H.B. No. 970**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Pacific Cardiac Institute, Inc., a not-for-profit Hawaii corporation, or a Hawaii nonprofit affiliate of same.

The Central Oahu Physician Hospital Organization, the Wahiawa General Hospital, the Wahiawa Hospital Association, and various private physicians testified in strong support of the measure. A substantial community petition was also submitted in support of the bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 970 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 276 Health on H.B. No. 971**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Wahiawa General Hospital, Inc., a not-for-profit Hawaii corporation, or a Hawaii nonprofit affiliate of Wahiawa Central-Oahu Health Center, Inc.

The Central Oahu Physician Hospital Organization, the Wahiawa General Hospital, the Wahiawa Hospital Association, and various private physicians testified in strong support of the measure. A substantial community petition was also submitted in support of the bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 971 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 277 Health on H.B. No. 972**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Wahiawa Central-Oahu Health Center, Inc., a not-for-profit Hawaii corporation, or a Hawaii nonprofit affiliate of Wahiawa Central-Oahu Health Center, Inc.

The Central Oahu Physician Hospital Organization, the Wahiawa General Hospital, and the Wahiawa Hospital Association testified in strong support of the measure. A substantial community petition was also submitted in support of the bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 972 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 278 Health on H.B. No. 973**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Pacific Sports Medicine and Research Center, Inc., a not-for-profit Hawaii corporation, or a Hawaii nonprofit affiliate of same.

The Central Oahu Physician Hospital Organization, the Wahiawa General Hospital, the Wahiawa Hospital Association, and various private physicians testified in strong support of this measure. A substantial community petition was also submitted in support of the bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 973 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 279 Health on H.B. No. 1257**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Pacific Wellness Center, Inc., a not-for-profit corporation, or a Hawaii nonprofit affiliate of same.

The Central Oahu Physician Hospital Organization, the Wahiawa General Hospital, the Wahiawa Hospital Association, and various private physicians testified in strong support of the measure. A substantial community petition was also submitted in support of the bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1257 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 280 Health on H.B. No. 1286**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist North Hawaii Community Hospital to finance and refinance certain debt, new construction, acquisition, and repair of its health care facilities.

North Hawaii Community Hospital testified in strong support of the bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1286 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 281 Health on H.B. No. 1400**

The purpose of this bill is to maintain the Hana Community Health Center's (Center) current level of operations by making an appropriation of \$1,000,000 for each year of fiscal biennium 1999-2001.

The Office of Hawaiian Affairs, members of the Maui County Council, AlohaCare, the Center, and many individuals submitted testimony in support of this measure. The Department of Health submitted testimony in support of the intent of this measure. The United Public Workers submitted testimony in opposition of this measure.

Your Committee finds that the Center is the only health provider in the Hana district and its operations are critical to the health of that community. In fact, without an additional \$200,000 for the current fiscal year, the Center will be forced to close its urgent care component on March 1, 1999.

The Center requested from the Governor an emergency appropriation, but the request was denied. Your Committee recognizes that an emergency exists, and has amended this measure by:

- (1) Requesting an additional \$200,000 for the current fiscal year to enable the Center to continue its operations; 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 is in accord with the intent and purpose of H.B. No. 1400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1400, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 282 Health on H.B. No. 1594**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for an intergenerational care center at Ewa Villages.

The Kulana Malama, which plans to provide a continuum of care for both the frail elderly as well as medically fragile infants and children, provided testimony in strong support of the measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1594 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 283 Health on H.B. No. 1616**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Pacific Women's Center, Inc., a not-for-profit corporation, or a Hawaii nonprofit affiliate of same.

The Central Oahu Physician Hospital Organization, the Wahiawa General Hospital, and the Wahiawa Hospital Association testified in strong support of the measure. A substantial community petition in support of the bill was also submitted.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1616 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 284 Health on H.B. No. 1617**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist the Pacific Saging Center, Inc., a not-for-profit corporation, or a Hawaii non-profit affiliate of same.

The Central Oahu Physician Hospital Organization, the Wahiawa General Hospital, the Wahiawa Hospital Association, and various private physicians testified in strong support of the measure. A substantial community petition in support of the bill was also submitted.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1617 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 285 Health on H.B. No. 1621**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Community Health & Wellness Inc., a not-for-profit corporation, or a Hawaii nonprofit affiliate of same.



The Central Oahu Physician Hospital Organization, the Wahiawa General Hospital, the Wahiawa Hospital Association, and various private physicians testified in strong support of the measure. A substantial community petition in support of this bill was also submitted.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1621 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 286      Health on H.B. No. 171**

The purpose of this bill is to support the execution of advance directives by:

- (1) Charging the Department of Health (DOH) to design a set of policies to improve compliance with current law;
- (2) Clarifying that the patient's wishes have priority at all times; and
- (3) Establishing a task force to undertake a comprehensive review of the entire Hawaii Revised Statutes.

The Hawaii Nurses' Association and one individual submitted testimony in support of this measure. DOH, the Executive Office on Aging, and Hawaii Right to Life submitted testimony in support of the intent of this measure. Pro-Family Hawaii submitted testimony in opposition to this measure. The Hawaii Medical Association and one individual submitted comments.

This measure is based upon the Governor's Blue Ribbon Panel on Living and Dying with Dignity's unanimous recommendation that, among other things, the contents of the Hawaii Revised Statutes dealing with advance directives for health care, including living wills, be made more specific, their use more widespread, and their provisions more binding.

Your Committee finds that sections of this measure, as written, are either premature or duplicative of other efforts. Therefore, your Committee has amended this measure by:

- (1) Deleting the provision that clarifies that patient's wishes have priority at all times;
- (2) Deleting the provision charging DOH to design a set of policies to improve compliance with current advance directives laws;
- (3) Inserting language substantively based on the Uniform Health Care Decisions Act, which would permit a competent individual to control decisions relating to a patient's own medical care; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee further finds that there are inconsistencies in the Hawaii Revised Statutes regarding decision-making during end-of-life care, and therefore, respectfully requests that the Committee on Judiciary and Hawaiian Affairs address whether the Uniform Health Care Decisions Act resolves this issue.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 171, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 287      Health on H.B. No. 461**

The purpose of this measure is to provide for the display of advance health care directives on drivers' licenses and state (civil) identification cards.

Your Committee received testimony in support from the Hawaii Medical Association and the Hawaii Nurses Association. The State Attorney General testified in support, but raised concern of the additional costs that may be incurred.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 461 and recommends that it pass Second Reading and be referred to the Committee on Transportation.

Signed by all members of the Committee.

**SCRep. 288      Health on H.B. No. 47**

The purpose of this measure is grant licensure to physician assistants who are nationally certified.

The Legislative Auditor, the Board of Medical Examiners, and the Hawaii Academy of Physician Assistants testified in support of this measure.

The Hawaii Government Employees Association testified in opposition to the measure pending the identification of pertinent impacts of the proposed changes.

Concerns were raised by other professionals regarding the consistency in which the State implements its prescriptive authority policies. It is recommended that this issue be considered by the subsequent Committee.

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

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

**SCRep. 289      Health on H.B. No. 328**

The purpose of this bill is to increase access for alcohol and substance abuse treatment by:

- (1) Allowing physicians to provide treatment services for mental health and substance abuse;
- (2) Exempting physicians from certification requirements for substance abuse treatment.

The Hawaii Medical Association and the Hawaii Psychiatric Medical Association submitted testimony in support of this measure. The Department of Health, the Hawaii Substance Abuse Coalition, and Hawaii Biodyne submitted testimony in opposition of this measure. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee finds that this measure, as written, would compromise the quality of care that patients receive because most licensed physicians are not qualified by education and training to treat alcohol and substance abuse problems.

Your Committee has amended this measure by deleting its substance and inserting language expanding alcohol and drug abuse treatment coverage to physicians who are board certified in psychiatry and have additional qualifications in addiction psychiatry conferred by the American Board of Psychiatry and Neurology.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 328, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 290      Health on H.B. No. 320**

The purpose of this measure is make health insurance coverage for mental illness no less extensive than that for other medical illnesses.

Your Committee received testimony in support from the Hawaii Government Employees Association, the Hawaii Medical Association, the Mental Health Association in Hawaii, the Hawaii Psychiatric Association, the Hawaii Psychological Association, the Hawaii State Alliance for the Mentally Ill, the Equal Insurance Coalition, and Dr. Jeffrey Akaka, Chair of the Hawaii State Medical Advisory Board.

The Insurance Division of the Department of Commerce and Consumer Affairs deferred to the Department of Health on the merits of the bill and to the health insurers on the potential costs.

The Hawaii Medical Service Association testified in opposition.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 320 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 291      Health on H.B. No. 1138**

The purpose of this bill is to investigate an outbreak or suspected outbreak of a disease which may threaten the public health by:

- (1) Increasing the Department of Health's (DOH) ability to investigate significant causes of illness which threaten the public health;
- (2) Protecting the confidentiality of information received by DOH; and
- (3) Protecting providers of this information from liability claims.

DOH submitted testimony in support of this measure. The Hawaii Medical Association and the Hawaii Federation of Physicians and Dentists submitted testimony in support of the intent of this measure. The Office of Information Practices submitted comments.

Your Committee finds that this measure provides DOH with limited access to information about increasingly important threats to public health, such as very rare diseases, non-infectious diseases, injuries of public health significance, and biological or chemical terrorism.

Your Committee appreciates the need of DOH to have access to information to protect the public health, but is concerned that this measure does not adequately protect patients' confidentiality.

To prevent full discretionary power to review patients' medical records, your Committee has amended this measure by limiting access to patients' records to those portions which are directly relevant in time and scope to the disease incidence under investigation.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1138, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1138, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 292 Ocean Recreation and Marine Resources on H.B. No. 1173**

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to delegate enforcement authority to other designated employees for the purpose of enforcement of boating and ocean recreation programs.

DLNR testified in support of this bill.

Your Committee finds that this bill will provide DLNR the authority to assign harbor agents and selected personnel from the Department's Division of Boating and Ocean Recreation (DOBOR) to provide the level of security and enforcement within boating facilities that is desired by the boating public.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1173, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Morita, Auwae and Meyer.

**SCRep. 293 Ocean Recreation and Marine Resources on H.B. No. 1177**

The purpose of this bill is to allow private marinas and yacht clubs to take into custody and dispose of abandon vessels on their premises in the same manner afforded to vessel repair facilities.

The Department of Land and Natural Resources (DLNR) and Boats/Hawaii Inc., testified in favor of the measure

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

Your Committee finds that this bill will allow private marinas and yacht clubs to dispose of abandon vessels on their premises in a more timely and cost-effective manner. This bill will also relieve DLNR of the additional administrative and financial burden involved in disposing abandon vessels on the premises of private marinas and yacht harbors.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1177, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1177, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Auwae.

**SCRep. 294 Ocean Recreation and Marine Resources on H.B. No. 1178**

The purpose of this bill is to establish procedures for the seizure, forfeiture and disposal of certain fishing violations.

The Department of Land and Natural Resources (DLNR), the Environmental Center of the University of Hawaii at Manoa, and BOATS/HAWAII Inc. testified in support of this measure.

Your Committee finds that this bill will define procedures in managing perishable natural resources. By selling suspected violations of oversize catches in a timely manner and at fair market value, this would prevent storage cost to the state, and prevent waste of valuable consumable resources.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1178 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Auwae.

**SCRep. 295 Ocean Recreation and Marine Resources on H.B. No. 1180**

The purpose of this bill is to allow the Department of Land and Natural Resources (DLNR) to limit the possession and sale of certain marine life taken from the Northwestern Hawaiian Islands (NWHI) by:

- (1) Specifying that marine life taken from NWHI may not be regarded as "imported" animals; and
- (2) Applying the same regulations to both NWHI and Hawaiian Island marine life, as it deems necessary.

DLNR and Hawaii Fishermen's Foundation testified in support of this measure. Boats Hawaii Inc., testified in opposition.

Currently, both the Federal permit and the Department's import license allow commercial fisherman to take and land spiny and slipper lobsters from the NWHI. However, a recent change in the Federal permit now also authorizes the possession and sale of female lobsters with eggs ("berried") and undersized lobsters, some deemed unlawful under the Department's standards. This measure would then give the Department the authority to prohibit the sale of berried and undersized lobsters, therefore protecting and conserving the 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 is in accord with the intent and purpose of H.B. No. 1180 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Auwae.

**SCRep. 296 Ocean Recreation and Marine Resources on H.B. No. 1181**

The purpose of this bill is to allow the Department of Land and Natural Resources (DLNR) to clarify and consolidate the penalty provisions related to aquatic resources under subtitle 5 of title 12, of the Hawaii Revised Statutes (HRS), by:

- (1) Establishing minimum fines and separate minimum and graduated penalties for chapters 187A, 188, 189 and 190 of the HRS; and
- (3) Increasing the classification for the criminal offense of using poisons, explosives and electrofishing devices to a class C felony.

DLNR testified in support of this measure. Boats Hawaii Inc. opposed this bill.

In the past, the Department has experienced difficulty in stressing the need to protect our State's natural resources to the courts and that more substantial penalties are required to enforce State regulations. This measure would then aid the Department in their enforcement of laws impacting our aquatic resources, by consolidating and refining the penalties.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1181 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Auwae.

**SCRep. 297 Human Services and Housing and Health on H.B. No. 260**

The purpose of this bill is to ensure that all of Hawaii's children will be safe, healthy, and ready to succeed in school by appropriating funds to improve the affordability, accessibility, and quality of early childhood services.

The Good Beginnings Alliance, the Maui County's Good Beginning Alliance, the Childcare Business Coalition, Healthy Mothers Healthy Babies Coalition of Hawaii, the Hawaii Association for the Education of Young Children, and the Kauai Good Beginnings Community Council submitted testimony in support of this measure. The Department of Human Services (DHS) submitted testimony in support of the intent of this measure.

This measure represents the recommendations of the Joint Legislative Committee on Early Childhood Education and Care, established through House Concurrent Resolution No. 120 (1998), of which each section represents parts of an early childhood system designed to support the development of Hawaii's children.

DHS suggested that the moneys in the revolving loan fund be given out on a grant basis rather than a loan. Your Committees respectfully request the Committee on Finance to examine this issue.

Your Committees have amended this measure by:

- (1) Reducing all appropriations for purposes of further discussion;
- (2) Replacing all references of "child care" with "early childhood education and care" in the Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 260, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 260, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative McDermott.

**SCRep. 298      Health on H.B. No. 322**

The purpose of this bill is to make an appropriation to the Department of Health for respite care services to families providing home care to a family member with special needs.

The State Planning Council on Developmental Disabilities, the Commission on Persons With Disabilities, The Arc in Hawaii, Kona Krafts, Catholic Charities, Brantley Center, Inc., and numerous concerned members of the community submitted testimony in support of this measure. The Department of Health supported the measure provided it does not adversely impact the funding priorities of the Executive Budget.

Your Committee finds the issue addressed by this measure to be of great importance. While your Committee would like to recommend full funding for these services, your Committee defers to the Finance Committee for the final appropriation amount.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to \$1 for the purpose of further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 322, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 322, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 299      Health on H.B. No. 261**

The purpose of this bill is to better document the well-being of children and families by requiring the University of Hawaii (UH) to establish standards to measure such child development outcomes. These standards would be useful in documenting and evaluating whether an investment of resources is achieving its intended objectives.

This bill also authorizes the UH to obtain the services of nonprofit organizations in this undertaking by appropriating an unspecified sum for the purchase of health and human services contracts.

The Center on the Family and Hawaii Kids Count from UH's College of Tropical Agriculture and Human Resources testified in support of this measure.

The Department of Health and the Department of Education supported the intent 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 is in accord with the intent and purpose of H.B. No. 261 and recommends that it pass Second Reading and be referred to the Committees on Higher Education and Education.

Signed by all members of the Committee.

**SCRep. 300 Higher Education on H.B. No. 153**

The purpose of this bill is to remove a barrier for faculty of the University of Hawaii to engage in entrepreneurial activities by requiring the Ethics Commission to presume that any consultative, entrepreneurial, or economic development activity of the faculty of the University of Hawaii is valid under certain conditions.

The University of Hawaii and Dawson International, Inc. submitted testimony supporting the measure. The Ethics Commission opposed the bill.

Act 115, Session Laws of Hawaii 1998, granted the University of Hawaii more flexibility and autonomy in managing its resources than other state departments. The rationale was that the University of Hawaii differs considerably from other state agencies, and this increased flexibility will enable it to grow and contribute more to the economy of Hawaii.

Your Committee is willing to remove further barriers that will allow the University of Hawaii to control its own destiny. In this regard, the University of Hawaii remains under the jurisdiction of the State Ethics Commission in matters relating to conflicts of interest. Allowing the University of Hawaii to prescribe and enforce its own ethics code would further flexibility and autonomy for the University of Hawaii.

Your Committee has amended the bill by deleting its contents and replacing it with the authority for the University of Hawaii to establish its own ethics system. The amended bill:

- (1) Removes the University of Hawaii from the purview of the State Ethics Commission, with the exception of the Board of Regents and the President of the University of Hawaii, who remain under the State Ethics Commission; and
- (2) Requires the Board of Regents to establish a system for prescribing and enforcing a code of ethics for faculty and other employees of the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 153, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 301 Agriculture on H.B. No. 557**

The purpose of this bill is to appropriate funds to conduct research and promote tropical flowers.

Testimony in support of this measure was received from HARC, Hawaii Tropical Flower Council, Hawaii Florists' and Shippers' Association, Hawaii Anthurium Industry Association, Big Island Dendrobium Association, Hawaii Export Nursery Association, the Big Island Farm Bureau, the Dean of the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Farm Bureau, Maui Floral, Inc. and Orchid Plantations, Inc. The Department of Agriculture supports this measure provided that the bill's passage does not replace or adversely impact priorities in its Executive Biennium Budget.

Your Committee recognizes the value of investment of public funds in agricultural research and development that will help stimulate growth and create new products to sustain Hawaii's agricultural commodities. The floriculture and nursery products industry rank as the number one diversified agricultural industry, but one that is threatened by low cost foreign competition, lack of funds for national and international marketing campaigns and high cost of transportation. Your Committee is convinced that state funding is necessary in order to continue and maintain Hawaii's competitive edge in the exotic tropical flower industry.

Under current economic and fiscal conditions, the State's funding is limited, therefore, your Committee has amended this bill by providing appropriation for one fiscal year 1999-2000. 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 557, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

**SCRep. 302 Agriculture on H.B. No. 979**

The purpose of this bill is to:

- (1) Reduce the number of credit denials required for the Department of Agriculture (DOA) loan program;
- (2) Include credit unions in the definition of "private lender"; and
- (3) Allow the DOA to jointly service and collect on its portion of participation loans.

The DOA submitted testimony in support of this measure and proposed an amendment which has been incorporated. The Hawaii Credit Union League supported the bill as it relates to credit unions.

Your Committee has amended this measure by adding a provision to provide low interest financing for agricultural producers directly affected by state eradication programs. Such financing will provide assistance for their recovery and rehabilitation.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 979, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito and Kaho'ohalahala.

**SCRep. 303      Agriculture on H.B. No. 981**

The purpose of the bill is to allow trusts and limited liability companies as applicants for agricultural park leases.

Testimony in support of the measure was submitted to your Committee from the Board of Agriculture, the Hawaii Farm Bureau Federation, the Big Island Farm Bureau, and the Keohole Ag Park Association.

Your Committee finds that adding trusts and limited liability companies to those who can apply for a park lease would allow lessees to transfer or continue the lease to surviving family members or successor business entities.

Your Committee believes that present lessees should also benefit from these changes.

Therefore, your Committee has amended this measure by:

- (1) Making explicit that present lessees can transfer their interests provided they do in compliance with the rules; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 981, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 981, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

**SCRep. 304      Ocean Recreation and Marine Resources and Water and Land Use on H.B. No. 740**

The purpose of this bill is to appropriate funds to allow the Department of Land and Natural Resources (DLNR) to:

- (1) Conduct an engineering design and analysis of beach restoration at Honokowai beach park, Kaaawa beach park, and the Sacred Falls shoreline; and
- (2) Conduct a demonstration scale engineering investigation for an offshore sand source to be used in beach restoration.

Your Committees received testimony in favor of the bill from the Department of Business, Economic Development & Tourism (DBEDT), the University of Hawaii's School of Ocean & Earth Science & Technology (SOEST), the University of Hawaii's Environmental Center, the City & County of Honolulu's Department of Planning and Permitting, and a concerned citizen.

DLNR submitted testimony which stated that they recognize the need to study beach erosion but oppose the bill inasmuch as such an appropriation would adversely impact the priorities indicated in DLNR's Executive Biennium Budget.

Your Committees have amended the bill by changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill.

Your Committees are in support of this measure and recommend that the appropriation be specified as new money that is in addition to DLNR's current budget.

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 are in accord with the intent and purpose of H.B. No. 740, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 740, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

**SCRep. 305      Ocean Recreation and Marine Resources and Water and Land Use on H.B. No. 1291**

The purpose of this bill is to appropriate funds for fishpond restoration on the island of Molokai.

Your Committees received testimony in favor of this bill from the County of Maui's County Council.

Your Committees have amended this measure by changing the appropriation amount to \$1 for the purpose of continuing discussion of bill.

Your Committees find that the restoration of fishponds on the island of Molokai will benefit the State through cultural preservation, economic development, and environmental protection.

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 are in accord with the intent and purpose of H.B. No. 1291, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1291, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

**SCRep. 306      Ocean Recreation and Marine Resources and Water and Land Use on H.B. No. 1667**

The purpose of this bill is shift the burden of notifying the public about applications for shoreline certifications from the affected property owners to the applicant. This measure amends the coastal zone management law by requiring applicants for shoreline certifications to mail copies of their application for certification, including proposed maps and photographs, to:

- (1) The County Planning Department; and
- (2) Neighboring property owners within three hundred feet of the applicant's property.

Your Committees received testimony in favor of this bill from the Department of Land and Natural Resources (DLNR), Hawaii's Thousand Friends, and the Sierra Club.

Testimony opposed to this measure was submitted by the Department of Business, Economic Development & Tourism (DBEDT) and the City & County of Honolulu's Department of Planning & Permitting.

Your Committees have amended this bill by specifying that only shoreline properties are required to be notified of applications for shoreline certifications.

Your Committees find that this bill will improve community input within the shoreline certification process through the requirement of additional notices to property owners that are directly affected.

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 are in accord with the intent and purpose of H.B. No. 1667, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1667, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

**SCRep. 307      Ocean Recreation and Marine Resources and Higher Education on H.B. No. 201**

The purpose of this bill is to appropriate funds for the continued support of the Blue Water Marine Laboratory program.

Your Committees received testimony in support of this measure from the Waikiki Aquarium, the University of Hawaii's Marine Option Program, former students and coordinators of the Blue Water Marine Laboratory program, and high school students interested in the program.

Your Committees have amended this measure by:

- (1) Changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill;
- (2) Including the budget request of the Marine Option Program; and
- (3) Changing the expending agency from the Department of Education to the University of Hawaii.

Your Committees strongly recommends funding the above marine education programs.

As affirmed by the records of votes of the members of your Committees on Ocean Recreation and Marine Resources and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 201, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 201, H.D. 1, and be referred to the Committee on Finance.



Signed by all members of the Committees except Representatives Arakaki, Santiago, Stegmaier, Auwae, McDermott and Meyer.

**SCRep. 308 Water and Land Use on H.B. No. 1703**

The purpose of this bill is to extend the sunset date of the act authorizing the Department of Land and Natural Resources to negotiate long-term leases with revocable permittees farming in the Waimanalo area.

Your Committee received testimony in support of this bill from three private citizens and comments on the bill from the Board of Land and Natural Resources.

Your Committee finds that most Waimanalo farmers have successfully negotiated long-term leases, but that several still desire leases and are at various stages of the process. Extending the period will allow completion.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1703 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 309 Water and Land Use on H.B. No. 1282**

The purpose of this bill is to appropriate funds to the Department of Agriculture for continued operation of the Lower Hamakua irrigation ditch.

Your Committee received testimony in support of this bill from the Board of Agriculture.

Your Committee finds that the operation of the Lower Hamakua Ditch is essential to the development of diversified agriculture in the area and one of the keys to the economic recovery of the community disrupted by the bankruptcy closing of the Hamakua plantation.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1282 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 310 Water and Land Use on H.B. No. 1253**

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources for the efficient management of Lake Wilson.

Your Committee received testimony in support of this bill from the Hawaii Freshwater Fishing Association and offering comment on this bill from the Board of Land and Natural Resources

Your Committee finds that Department of Land and Natural Resources has identified Lake Wilson as a sustainability problem area, with many unwanted alien species in the reservoir. Permanent staffing at the lake would improve enforcement, fish population management and water control. Greater information on the uses of the money and the benefits will allow the legislature to reach a final decision on the funding.

Your Committee revised the bill by:

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

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

Signed by all members of the Committee.

**SCRep. 311 Water and Land Use on H.B. No. 921**

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources for the Kaena Point Coastal Reserve.

Your Committee received testimony in support of this bill from the Board of Land and Natural Resources, Office of Hawaiian Affairs, Life of the Land, and two private citizens.

Your Committee finds that the Kaena Point Coastal Reserve is one of the priority areas for the Department of Land and Natural Resources, with natural and cultural resources at risk and communities willing to participate.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 921 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 312      Water and Land Use on H.B. No. 810**

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources for the formation of a Waialua-Haleiwa stormwater drainage master plan.

Your Committee received testimony offering comment on this bill from the Board of Land and Natural Resources.

Your Committee finds that the Waialua-Haleiwa stormwater drainage master plan will enable the state, City and County of Honolulu and Federal Emergency Management Agency to implement flood mitigation and control measures, resulting in less danger and disruption to residents and reduce the strain on emergency management resources.

In order to facilitate decisionmaking, your Committee requested the Department of Land and Natural Resources to provide your Committee on Finance with the following information:

1. Estimates of additional planning and design costs beyond the \$500,000 for a master plan;
2. Estimates of construction costs; and
3. Alternatives, including relocation of homes, if feasible, to areas outside of the flood plain.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 810 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 313      Water and Land Use on H.B. No. 718**

The purpose of this bill is to amend the bonding authority of the Hawaii Community Development Authority by consolidating three existing bonding capabilities by the Hawaii Community Development Authority, authorizing the issuance of \$250,000,000 in revenue bonds and authorize the issuance of revenue bonds for the relocation of the Food Distribution Center.

Your Committee received testimony in support of this bill from the Hawaii Community Development Authority and offering comment on this bill from the Department of Taxation.

Your Committee finds that the bill would enhance the Hawaii Community Development Authority's ability to undertake its redevelopment duties in Kakaako.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 718 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 314      Water and Land Use on H.B. No. 438**

The purpose of this bill is to create a watershed protection trust fund for watershed management activities.

Your Committee received testimony as follows:

1. Board of Land and Natural Resources, Nature Conservancy, Sierra Club Hawaii Chapter, in support;
2. County of Kauai Department of Water, City and County of Honolulu Board of Water Supply, in opposition; and
3. University of Hawaii Environmental Center, offering comment.

Your Committee finds that watershed lands are the most important source of water for Hawaii's population. Establishment of a fund will enable Hawaii to manage and sustain its watershed resources and ensure a source of water for the future.

Your Committee revised the bill by:

1. Transferring jurisdiction over watershed management from the Commission on Water Resource Management to the Department of Land and Natural Resources Forest Reserves;
2. Changing the name of the fund to the watershed protection special fund;
3. Removing references to the watershed surcharge; 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 Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 438, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 438, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 315 Water and Land Use and Ocean Recreation and Marine Resources on H.B. No. 1189**

The purpose of this bill is to remove shoreline erosion control and repair of coastal protective structures from the functions of the Coastal Areas Program.

Your Committees received testimony in support of this bill from the Board of Land and Natural Resources.

Your Committees find that shoreline erosion control and repair of coastal protective structures are already administered by other agencies.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Ocean Recreation and Marine Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1189 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Auwae.

**SCRep. 316 Water and Land Use and Ocean Recreation and Marine Resources on H.B. No. 498**

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources to help establish the Hanalei Heritage River Office.

Your Committees received testimony in support of this bill from the Board of Land and Natural Resources, the Sierra Club Hawaii Chapter, and two private citizens.

Your Committees find that the Hanalei River on Kauai is one of only 14 rivers in the United States to receive the designation "American Heritage River." This designation will allow federal agencies to provide technical and financial assistance for environmental, cultural and economic programs in the Hanalei community. Appropriation of funds for the Hanalei Heritage River Program and establishment of an office and will allow the program to manage the numerous grants and provide matches to any federal funds, that may later become available.

Your Committees have requested that the testifiers in support of this measure provide to your Committee on Finance the following information:

1. The required level of state appropriation to secure the designated \$100,000 in American Heritage River funds from the federal government;
2. Clarification of the Hanalei Heritage River Office;
3. Budgetary details, such as the office or building construction, or rent costs, personnel and equipment requirements, such as vehicle, boat and office equipment;
4. Job descriptions for personnel;
5. Continuing annual operating expenses and the requirement, if any, for state matching; and
6. The above data and any other applicable information on successfully established AHR programs in other states.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Ocean Recreation and Marine Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 498 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Auwae.

**SCRep. 317 Energy and Environmental Protection on H.B. No. 180**

The purpose of this bill is to create one permanent alien species coordinator position within the Department of Land and Natural Resources (DLNR). The alien species coordinator will aid in preventing alien species from entering and becoming established in the state.

TRI-ISLE RC & D, DLNR, Life of the Land, The Nature Conservancy of Hawaii, and one individual testified in support of this measure.

Alien species have been identified as the greatest threat to conservation of natural resources and native plants and animals in Hawaii. They also comprise a significant threat to the state's economy, particularly the agriculture sector. DLNR currently has just one temporary alien species coordinator to carry out DLNR's mandate to prevent the migration of alien species.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 180 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 318 Agriculture on H.B. No. 333**

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

Your Committee finds that diversified agriculture is one of Hawaii's fastest growing industry given public and private support it needs to promote its development and financial viability. Your Committee further finds that several agricultural commodities are faced with disease and pests affecting their crops, such as, nematode pests, which affects the export of anthurium plants, phytophthora diseases that destroy landscape plantings, sailborne disease and pests, which affects ginger roots, banana bunchy top virus that damage banana fields and research on macadamia cultivars for high production disease-resistant varieties.

This bill appropriates the sum of \$562,413 to the Department of Agriculture for fiscal year 1999-2000 to provide for research and development for various commodities.

Testimonies in support of this measure were received from the Board of Agriculture, the College of Tropical Agriculture and Human Resources, the Hawaii Farm Bureau Federation, the Hawaii Agriculture Research Center, the Hawaii Anthurium Industry Association, the Hawaii Tropical Flower Council, the Kea'au Banana Plantation, the Hawaii Tropical Fruit Growers, the Hawaii Macadamia Nut Association, the Big Island Farm Bureau, the Oahu Banana Growers Association, the Big Island Banana Growers Association, the Green Point Nurseries, the Hawaii Food Manufacturers, and the Hawaii Association of Nurserymen.

Your Committee has amended this bill by providing funding for the fiscal year 1999-2000 in the total sum of \$562,413. Therefore, your Committee changed the sum on line 2 page 1 from "\$509,800" to "\$562,413" and on line 3 to line 5 on page 1 striking "and the sum of \$375,500 or so much thereof as may be necessary for fiscal year 2000-2001." Your Committee further amended this bill by including funds for anthurium research, \$47,188 and pineapple research, \$208,000, and reducing the amount for contingency research fund from \$100,000 to \$30,425. It further amended this bill by deleting the funding for the various commodities for fiscal year 2000-2001.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 333, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 333, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

**SCRep. 319 Agriculture on H.B. No. 374**

The purpose of this bill is to:

- (1) Provide funds for the department of agriculture to conduct research to determine appropriate sites for distribution centers in three strategically located mainland states;
- (2) Rent appropriate warehouse facilities at each of the sites, including a cooling facility for perishable products;

- (3) To make these sites available for use by agricultural producers from Hawaii for the promotion and sale of their agricultural products.

Testimony in support of the measure was received from HARC, the Maui County Farm Bureau, the Hilo County Farm Bureau, the Hawaii Food Industry Association and the State Democratic Party of Hawaii. The Department of Agriculture supports the bill provided the bill's passage does not replace or adversely impact priorities indicated in its Executive Biennium Budget.

Your Committee finds that there is a need for a well-established network of facilities for the distribution of Hawaii agricultural and processed food products to make them more competitive in the Mainland market. Hawaii farmers find it difficult to promote and market their products due to the high cost of transportation and for each commodity to undertake such an effort independently would be cost-prohibitive. A coordinated effort between a large group of producers and manufacturers, as well as the State, is very essential to the success of this project.

Your Committee has amended this bill by inserting appropriation of \$100,00 for fiscal year 1999-2000 to:

- (1) establish appropriate site(s) for distribution/consolidation centers in Hawaii and mainland states;
- (2) rent appropriate warehouse facility at each of the site, including a cooling facility for Hawaii agricultural products;
- (3) make these sites available for use by agricultural producers and manufacturers from Hawaii for the promotion and sale of their products.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 374, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 374, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

**SCRep. 320      Agriculture on H.B. No. 898**

The purpose of this bill, as referred to your Committee on Agriculture, is to establish a separate agricultural water supply and delivery system under the Board of Agriculture for the farms in the upcountry region on Maui.

Your Committee finds that the upcountry agricultural area is primarily dependent on expensive domestic water from the lower Kula system to irrigate their crops. In spite of previous moratoriums on new water services, subdivisions and new construction continue to increase water demands in the Kula area. The development of the Department of Hawaiian Home Lands residential and agricultural subdivisions in Waiohuli and Keokea will further decrease the available supply of agricultural water to the existing farmers in the upcountry area.

This bill grants to the Board of Agriculture the necessary powers to administer and to construct water facilities to adequately serve the quantity of agricultural water demand to the upcountry Kula region.

Testimonies in support of this measure were received from the Board of Agriculture, the Mayor of the County of Maui, the Department of Water Supply of the County of Maui, the Maui County Farm Bureau, the Central Maui Soil and Water Conservation District, the Maui Farmers' Cooperative Exchange, and the Maui Pineapple Company, Ltd.

Your Committee has amended this bill by striking "account" on line 12 on page 3 and replacing it with "revolving fund" and by striking the first sentence of section 4 on page 3, lines 12 to 16. It further amended this bill by replacing "these accounts" which appears on page 3, section 4, with "the revolving fund."

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

Signed by all members of the Committee except Representative Ito.

**SCRep. 321      Agriculture on H.B. No. 978**

The purpose of this bill, as referred to your Committee, is to encourage private lenders to provide financing for diversified agriculture by reducing private lender's risks through the Department of Agriculture's ability to guarantee loans.

Your Committee finds that agricultural lending poses higher risks in comparison to conventional commercial lending due to competition, increase government regulations, changing consumer preferences, insect and disease pests, droughts, storms, and other extremes of nature. Your Committee further finds that with the closures and downsizing of the State's sugar and pineapple plantations, prime agricultural land are available for diversified agricultural development and expansion.

The proposed bill encourages private lenders to provide financing for diversified agriculture as their risks are reduced by the Department of Agriculture's loan guarantee. This proposed program waives the credit elsewhere process, which can be lengthy and

time consuming, and limits the interest charged on the loan to two percent above the prime rate charged by the private lender. The ceiling of two percent over the prime rate ensures that financing is provided at reasonable rates as the loan guarantee reduces and limits the lender's risk.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 978 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Ito and Kaho'ohalahala.

**SCRep. 322 Energy and Environmental Protection on H.B. No. 1732**

The purpose of this bill was to exempt nontoxic pesticides from state labeling regulation.

The Department of Agriculture offered comments. RESCUE Hawaii and Bug-Ban, Hawaii submitted favorable testimony.

Your Committee recognizes that current Hawaii pesticide laws should be in conformance with federal statutes, specifically the Federal Insecticide, Fungicide and Rodenticide Act. Accordingly, your Committee has amended this bill by determining that any pesticide exempted by federal pesticide regulations be exempted from state regulations, providing that the pesticide product meets the terms and conditions of such exemptions.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1732, as amended herein, and recommends that it pass Second Reading, in the form attached hereto as H.B. No. 1732, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 323 Energy and Environmental Protection on H.B. No. 942**

The purpose of this bill is to statutorily allow for additional time during the public review process for environmental assessments and environmental impact statements when necessary.

The Department of Land and Natural Resources, the Office of Environmental Quality Control, Na Leo Pohai, Hawaii's Thousand Friends, the Hawaii Audubon Society, and two individuals testified in favor of this bill. Three individuals academically associated with the University of Hawaii commented on the bill. The Department of Transportation and the Land Use Research Foundation testified in opposition to the measure. The Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company testified to their concerns that the extension period is open-ended with no time limitations.

The current review periods are 30 days for environmental assessments and 45 days for environmental impact statements. However, past practice has been to allow extensions when they are agreed to by both the applicant and the accepting authority, generally to make corrections to the documents without the need to resubmit them and begin the review period all over again. Without the flexibility of extensions, some projects faced unnecessary procedural delays.

Such an informal extension was used for the Lihue Airport runway extension, allowing the State document to be reviewed in line with the Federal document. There is no indication that this informal practice was ever abused or used solely for the purpose of delaying a permit approval.

However, in response to a request asking about these informal extensions, the Attorney General in 1998 stated that the time limits as written do not provide any method for extending these periods and that the informal procedure was not permitted.

To address the concerns of the Attorney General, this bill, as introduced, added a provision making the 30-day and 45-day periods minimum periods. Your Committee finds that the intent of the bill is to provide for the extension of the review periods to enable the applicant to make changes to the document without having to resubmit it. The intent is not to cause additional delays in the approval process. With this in mind, your Committee has amended this measure to make certain that the time limits are minimum limits which may be extended with the approval of the applicant and agency or according to rule; or, in the case of an agency-proposed action, by the agency.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 942, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 942, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Meyer.

**SCRep. 324 Higher Education on H.B. No. 704**

The purpose of this bill is to:

- (1) Waive tuition for 500 additional Hawaiian students in the University of Hawaii system; and
- (2) Give priority to those Hawaiian students who are enrolled in Hawaiian language courses, education, are financially needy, or participating in student recruitment programs.

Your Committee finds that Hawaiians are represented in a much lower proportion in the UH system than they are in the general population. According to a "FACTS" brochure printed by UH Relations and Institutional Research Office in December 1998, while approximately 25 percent of the student population in the public school system is Hawaiian, only 14 percent of the 11,500 undergraduate students on the UH-Manoa campus are of Hawaiian ancestry. Fully 25 percent of Hawaiians attending UH-Manoa drop out by the end of their second year. And, the graduation rate of Hawaiian students from the UH system with a four-year degree is far less than that of the general UH student population. Economics, family responsibilities, and a lack of role models have been given as reasons for this underrepresentation. This bill would make it possible for Hawaiians to attend UH who would otherwise be unable to do so.

The Office of Hawaiian Affairs (OHA) testified in support of the bill. OHA also testified, however, that tuition waivers for more Hawaiian students will not compromise or otherwise affect negotiations currently taking place between OHA and the State on ceded lands compensation.

Testimony in support of the bill was received from the Ilio'ulaokalani Coalition and more than 50 Hawaiian educators, students, and other interested individuals. Most of the testifiers suggested amendments to the bill providing for the waiver of tuition fees for all Hawaiian students, regardless of financial need. In addition, testimony containing 23 pages of petitions, signed by both Hawaiians and non-Hawaiians, in support of tuition waivers for all students of Hawaiian ancestry was received.

Much of the testimony received focused on the fact that the UH system controls approximately 16,000 acres of ceded lands. Testimony overwhelmingly supported the idea that tuition waivers should be part of the ceded land settlement.

The University of Hawaii (UH) testified that, while it agreed with the intent of the proposed bill, it could not support the bill due to its inconsistency with Act 161, Session Laws of Hawaii (SLH) 1995, which granted the UH Board of Regents the authority to grant, suspend, or modify tuition waivers and requires general funds for legislatively-mandated tuition waivers.

When asked, UH testified that out of approximately 6,235 Hawaiian students enrolled in the UH system, 900 are currently receiving full or partial tuition waivers. For UH to provide 500 additional tuition waivers to Hawaiian students, approximately \$577,000 would have to be appropriated by the Legislature, whereas for UH to provide tuition waivers to all Hawaiian students, approximately \$7.2 million a year would have to be appropriated.

Your Committee agrees with the testimony of UH that, although the Legislature has established tuition waivers for students of Hawaiian ancestry in the past, currently, the authority to grant tuition waivers is left solely to the University. By way of brief background, in 1993, the Legislature passed Act 360, Session Laws of Hawaii (SLH) 1993, which mandated UH to waive all tuition fees for 250 Hawaiian students in addition to tuition waivers that were already being granted. At that time, UH tuition revenues were deposited in the general funds of the State. In 1995, the Legislature passed Act 161, SLH 1995, which created a special fund under UH control for the deposit of tuition revenues. At the same time, the Legislature felt that because UH was being given the authority to control income generated from tuition, which is a significant part of overall UH revenues, it was more appropriate for UH, rather than the Legislature, to determine how and to whom tuition waivers should be granted.

The authority for tuition waivers granted to UH recognizes its special status granted under the State Constitution, which constitutes UH as a body corporate. As such, UH should have more independence than typical state agencies in managing its resources.

With regard to the ceded lands issue, your Committee notes that the Admission Act cites public educational institutions as one of the five purposes for which ceded lands may be used. Of course, another of the purposes is the betterment of the conditions of native Hawaiians. And so, the issues are complex and not easily resolved.

After much discussion, your Committee finds that a bill to provide additional Hawaiian students in the UH system with full or partial tuition waivers would amount to an unfunded mandate. This, in turn, would essentially amount to a reduction to the UH budget, depriving other students of services and programs. Therefore, your Committee finds that, at this time, rather than mandating that UH provide additional tuition waivers to a specified number of Hawaiian students, and to be consistent with the process the Legislature has provided for regarding other tuition waivers, a separate appropriation should be made to UH to provide as many tuition waivers for Hawaiian students as possible.

However, recognizing the complexity of the issues involved, your Committee urges that discussions continue on this matter. Your Committee urges the UH to review its tuition waiver policies, and in particular the number of tuition waivers are provided to those from the Asia-Pacific region. Your Committee also urges that possible consideration be given to making the grant of additional tuition waivers to Hawaiian students part of the ceded land settlement.

Your Committee has amended the bill by:

- (1) Making an appropriation in the amount of \$1 for fiscal year 1999-2000 and fiscal year 2000-2001, for purposes of further discussion, for the provision of tuition waivers for Hawaiians in the University of Hawaii system in addition to those currently granted to Hawaiian students;
- (2) Specifying that, for purposes of this bill, "Hawaiian" means any descendant of the aboriginal peoples inhabiting the Hawaiian islands that exercised sovereignty and subsisted in the Hawaiian Islands in 1778 and have continued to reside in Hawaii since 1778; and
- (3) Removing the requirement that tuition waivers shall be awarded to Hawaiian students who are financially needy or participating in student recruitment programs within the university system.

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

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

**SCRep. 325      Agriculture on H.B. No. 1632**

The purpose of this bill is to effectuate its title.

H.B. No. 1632 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1632, as amended herein, and recommends that it be recommitted to the Committee on Agriculture, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1632, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Herkes, Kaho'ohalahala, Morihara, Rath and Whalen.

**SCRep. 326      Agriculture on H.B. No. 1635**

The purpose of this bill is to effectuate its title.

H.B. No. 1635 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1635, as amended herein, and recommends that it be recommitted to the Committee on Agriculture, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1635, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Herkes, Kaho'ohalahala, Morihara, Rath and Whalen.

**SCRep. 327      Labor and Public Employment on H.B. No. 1060**

H.B. No. 1060 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1060, as amended herein, and recommends that it be recommitted to the Committee on Labor and Public Employment, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1060, H.D. 1.

Signed by all members of the Committee.

**SCRep. 328      Labor and Public Employment on H.B. No. 403**

The purpose of this bill is to effectuate its title.



H.B. No. 403 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the action to report out H.B. No. 403, as amended herein, and recommends that it be recommitted to the Committee on Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 403, H.D. 1.

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

**SCRep. 329 Consumer Protection and Commerce on H.B. No. 353**

The purpose of this bill is to simplify, streamline, clarify, update, and deregulate the real estate licensing law set forth in Chapter 467, Hawaii Revised Statutes, as well as to provide additional options to license applicants, without compromising consumer protection. Among other things, this bill:

- (1) Gives candidates for real estate licenses the option of requesting a preliminary decision from the Real Estate Commission (Commission), regarding disposition of their license application, thus allowing candidates to avoid unnecessary expenditures on precensuring education or examination requirements and to otherwise amend their applications;
- (2) Authorizes the Commission to recognize license applicants' out-of-state licensing examinations and other equivalencies, and gives the Commission the flexibility to require passage of specific portions of examinations as appropriate;
- (3) Provides that where real estate licensees timely renew their licenses, those licenses shall be renewed before the start of the new licensing period;
- (4) Deregulates the real estate broker business by repealing the requirements that real estate brokers display a broker's license, license their branch offices, and register their site offices; and
- (5) Simplifies and deregulates certification of real estate continuing education instructors, by transferring responsibility for approval of these instructors from the Commission to continuing education providers.

The Real Estate Commission strongly supported this bill, testifying that the bill was introduced upon the Commission's request. The Hawaii Association of Realtors also testified in support.

Your Committee has amended this measure by making several 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 H.B. No. 353, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 353, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 330 Consumer Protection and Commerce on H.B. No. 1522**

The purpose of this bill is to exempt appraisers, employed by any county for purposes of valuing real property for ad valorem taxation, from the requirements of chapter 466K, Hawaii Revised Statutes.

This bill clarifies an ambiguity in Act 180, Session Laws of Hawaii 1998, which amended the real estate appraiser licensing law to require all real estate appraisals to be performed by State licensed or certified appraisers. Due to the broad definition of "real estate appraisal" in the administrative rules of the department of commerce and consumer affairs, the question arose as to whether county property tax assessments could be construed as real estate appraisals, which would require that county employees be licensed or certified. Such a requirement would have a negative impact on the counties because the county tax assessors may not qualify under the licensure requirements for real estate appraisers.

The Department of Commerce and Consumer Affairs (DCCA) and the City and County of Honolulu (County) submitted testimony in support of this bill. DCCA testified that the intent of Act 180 was to ensure the competency of appraisers doing appraisals used in connection with federally related transactions, such as residential lease to fee conversions, commercial lease negotiations, and related arbitrations. Property tax assessments do not fall within those categories, so DCCA stated it would be proper to exempt county tax assessors. Not exempting the county employees would unnecessarily compel the creation of new regulation and licensure for county tax assessors. The County testified that, without this exemption, counties would have to ask the State to provide funding to the counties for the new program mandated by 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 is in accord with the intent and purpose of H.B. No. 1522 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga, Halford, Rath and Thielen.

**SCRep. 331 Consumer Protection and Commerce on H.B. No. 1649**

The purpose of this bill, as received, is to exempt from the conveyance tax on transfers of real property, the conveyance of real property or any interest therein:

- (1) Owned by an individual or business entity, to a business entity owned in whole or part by the transferor, or vice versa;
- (2) Owned by a business entity, to its shareholders, partners, or members, in connection with the dissolution or liquidation of the business entity; and
- (3) In any document executed in connection with the conversion of a general or limited partnership to a limited liability company, or vice versa.

Your Committee received testimony in support of this bill from Outrigger Enterprises, Inc., stating that under current law, partnerships taking advantage of the limited liability organizational structure authorized under recently enacted law, would have to pay the conveyance tax on the partnership's transfer of real estate to the new limited liability company. By removing the conveyance tax on this type of transfer, the bill would encourage Hawaii's businesses to convert to, and operate in the most efficient organizational form possible. It would also help to change the perception that it is difficult to do business in Hawaii.

The Department of Taxation (Department) was not opposed to the bill, stating that in the absence of statistics on the types of transfers contemplated, the Department felt that the exemption would have minimal impact on conveyance tax revenues. However, the Department did express the concern that loopholes in the bill could be exploited to allow tax-free transfers of real property outside of the context of transfers for the purpose of converting from one business operational form to another.

Your Committee has amended this bill to remove the loopholes identified by the Department, by:

- (1) Removing paragraphs 15 and 16 from the original amendments to the bill, including the definition of "business entity" which is relevant only to the deleted paragraphs;
- (2) Retaining language specifically exempting real property conveyances in connection with conversions of general or limited partnerships to limited liability companies, and vice versa; and
- (3) Including corporations in the group of business entities allowed tax free real property transfers when converting from one business operational form to another.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1649, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1649, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 332 Consumer Protection and Commerce on H.B. No. 866**

The purpose of this bill is to make it the policy of the State to encourage all state agencies to adopt rules allowing the receipt of testimony and other communications appropriate for that agency, through technologically advanced methods, including electronic transmissions such as e-mail and the Internet.

Under this bill, the State recognizes that Hawaii, as a geographically divided state, must be sensitive and open to new methods of technology for rapid and accurate communication through means least burdensome to the public.

The Department of Accounting and General Services (DAGS) supported the intent of this bill. The University of Hawaii submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 866 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Morita, Takumi, Yoshinaga, Rath and Thielen.

**SCRep. 333 Consumer Protection and Commerce on H.B. No. 1744**

The purpose of this bill is to appropriate funds, with a requirement for matching funds, for the development of community development financial institutions. The bill describes community development financial institutions (CDFIs) as private for-profit and

nonprofit financial institutions that provide financial services to distressed geographic areas and populations that are underserved by conventional lenders and investors.

Testimony in support of this measure was received from the Department of Hawaiian Homelands, Na Po'e Kokua, and the Nation of Hawaii.

Your Committee recognizes the far-reaching benefits that CDFIs can offer in the way of economic revitalization and community development, particularly for our most socio-economically distressed communities, and therefore encourages the development of such institutions.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1744, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Takumi, Yoshinaga and Thielen.

**SCRep. 334 Consumer Protection and Commerce on H.B. No. 1115**

The purpose of this bill is to lessen the trauma of foster placement by allowing foster boarding homes to care for more than five children, in order to accommodate sibling groups. This bill also changes the requirement for criminal history checks for foster boarding homes, so that after the first two years of annual checks, the subsequent criminal history checks shall be made biennially thereafter, in conjunction with the certification schedule of the home.

Testimony in support of this bill was received from the Department of Human Services (DHS), which included a suggested technical amendment for purposes of clarifying that, after the first two years of annual checks, the criminal history checks made in conjunction with the certification schedule may be annual or biennial, depending upon the certification status of the home.

Your Committee concurs with the testimony offered by the DHS, and has made some 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 H.B. No. 1115, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1115, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Morita, Yoshinaga, Rath and Thielen.

**SCRep. 335 Health on H.B. No. 885**

The purpose of this bill is to require persons to reasonably assist others who are exposed to or have suffered grave physical harm.

Testimony in support of the measure was submitted by the Hawaii Medical Association, the Christian Science Committee On Publication in Hawaii, the Hawaii State Fire Fighters Association, and a number of private citizens. Testimony commenting on the measure was submitted by the Office of the Public Defender.

Your Committee finds that rendering assistance to another human being in an emergency is an action whose value should be codified in our laws.

Concerns were raised because the measure does not define what it means to be "at the scene" of an emergency. This uncertainty of definition leads to questions about the statute's applicability in numerous situations.

Additional concerns were raised about the use of the terms, "physical harm" and "grave physical harm", which are not defined, as well as about the grade of the offense, given its broad application.

Your Committee believes that:

- (1) These concerns can best be addressed as the measure continues to move through the legislative process; and
- (2) Those who fulfill their duty under this proposal should not be exposed to suits for damages.

Your Committee has amended the measure by:

- (1) Adding language exempting those who give assistance from civil liability; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 885, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 885, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 336 Higher Education on H.B. No. 307**

The purpose of this bill is to establish a college savings program that provides both federal and state income tax benefits. The program would give tax benefits, for example, to parents who save for their children's college tuition and other higher education expenses.

Testimony in support of the bill was submitted by the Hawaii State Teachers Association, the Department of Education, TIAA-CREF, a college and career counselor, a student at the University of Hawaii, and thirteen high school students.

While in support of the intent of the bill, the University of Hawaii proposed two amendments. The Department of Taxation testified that it was not opposed to the bill. The Department of Accounting and General Services recommended that an organization with expertise in this type of program administer the proposed college savings program.

Your Committee finds that college tuition is increasing faster than the cost of living, making it more difficult for families to save for their children's college education. Other higher education costs are rising as well. The federal government has created tax incentives to those who save for college through qualified state tuition programs under the Internal Revenue Code. This bill creates such a program for Hawaii. The program also allows state tax incentives as well.

The bill privatizes the college savings program by authorizing the Comptroller to contract with a private financial organization to administer the program. Thereafter, the Comptroller is responsible for oversight. As such, the Comptroller does not have day-to-day responsibility for administration.

Your Committee agrees with the recommendations of the University of Hawaii and has amended the bill by:

- (1) Specifying that an accrediting agency be "a regional accrediting agency recognized by the United States Secretary of Education" rather than "a nationally recognized accrediting agency"; and
- (2) Deleting the prohibition from using moneys in a college account to calculate financial aid under any financial aid program administered by the State.

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 307, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 307, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 337 Higher Education and Education on H.B. No. 939**

The purpose of this bill is to appropriate funds to the University of Hawaii at Hilo for a counseling psychology program and a special education teacher program.

Testimony in support of the bill was submitted by the University of Hawaii at Hilo and the Hawaii State Teachers Association. Testimony in specific support of the proposed master's degree program in counseling psychology was submitted by the Department of Psychology of the University of Minnesota (Duluth), the Office of the District Superintendent of the Department of Education (DOE), Catholic Charities of the Diocese of Honolulu, the Queen Liliuokalani Children's Center, E Ala Ike, the Institute for Family Enrichment, and a clinical psychologist.

Your Committees find that the Felix consent decree has mandated the State to provide public school children a system of care that includes special education and mental health services. According to the DOE's ten-year projection (1998-2007), 400 special education teachers are needed per year to comply with the consent decree. Because Hawaii is currently able to supply only 75 qualified teachers per year, alternative preparation opportunities through existing programs must increase, endorsement programs for teachers licensed in other fields must be developed, new teacher education programs at local universities must be encouraged, and the DOE must continue recruitment of qualified teachers on the U.S. mainland. Of the educational institutions that offer teacher education in Hawaii, including those programs from other states, the University of Hawaii at Hilo (UHH) is the only one that does not offer special education programs. This bill addresses UHH's specific need to establish such operational programs.

UHH is poised to offer two specific academic programs--a master's degree in counseling psychology and a special education program that qualifies a person for licensure. UHH projects that an additional 100 new teachers are expected to enter the workforce per year if distance learning is utilized, or 60 new special education teachers if distance learning is not utilized. Because of the

difficulty of recruiting special education teachers, UHH has included an incentive that provides full tuition for those who complete the program and teach three years in a special education assignment.

Your Committees find that UHH's proposed program has a very attractive cost to graduating teachers ratio, as shown below:

	Fiscal Year <u>1999-2000</u>	Fiscal Year <u>2000-2001</u>
Counseling psychology	\$261,689	\$372,469
Special education	<u>335,105</u>	<u>324,050</u>
Total	<u>\$596,794</u>	<u>\$696,519</u>

Your Committees have amended the bill by removing the specific appropriations and leaving unspecified appropriations. Other technical, nonsubstantive amendments were made 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 are in accord with the intent and purpose of H.B. No. 939, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 939, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Santiago and McDermott.

**SCRep. 338      Agriculture on H.B. No. 980**

The purpose of this bill is to assess only cultivatable lands within the irrigation district boundaries.

When the irrigation district systems were established, environmental laws and resource management regulations that currently restrict or prevent cultivation of stream beds, dry gulches, and other noncultivable lands were not yet in existence. This bill proposes the removal of such regulated lands from the revenue base because income cannot be derived from water use on these lands.

The Department of Agriculture submitted testimony supporting this measure inasmuch as no costs will be incurred upon its passage which would adversely impact priorities indicated in the Executive Biennium Budget.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 980, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 980, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito and Kaho'ohalahala.

**SCRep. 339      Agriculture on H.B. No. 562**

The purpose of this bill is to add three new terms which may be used on the label of raw or processed macadamia nuts which contain only Hawaii grown nuts and prohibits the use of these three terms on a label of any product that contains any portion of macadamia nuts not grown in Hawaii.

Your Committee finds that the macadamia nut industry is one of the largest single diversified crop in Hawaii with 700 farms employing over 2,000 people at the farm level. Your Committee further finds that the Hawaii grown macadamia nuts are of high quality when compared with macadamia nuts produced in other areas of the world. The rapidly advancing globalization of macadamia production by Australia and other countries, including Costa Rica, Guatemala, Kenya, Malawi, Zimbabwe, South Africa and Brazil, requires that the Hawaii Macadamia Nut growers differentiate themselves from competing products produced in other areas of the world.

This bill adds three new labels "Hawaii-Grown Macadamia Nuts", "100% Hawaiian Macadamia Nuts", or "Hawaiian Macadamia Nuts", that shall appear on the principal display panel of a consumer package containing raw or processed macadamia nuts grown in Hawaii, and prohibits the use of these labels on any product that contains any portion of macadamia nuts not grown in Hawaii. This measure further deletes the redundancy of section (e).

Testimonies in support of this bill were received by the Department of Agriculture, the Hawaii Macadamia Nut Association, and the Mauna Loa Macadamia Nut Corporation. The Legislative Information Services of Hawaii opposed the bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 562 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Chang, Herkes, Kaho'ohalahala, Suzuki, Rath and Whalen.

**SCRep. 340 Agriculture on H.B. No. 1628**

The purpose of this bill, as referred to your Committee, is to create a program that enables cooperating lenders to provide loan funds, with the Department of Agriculture providing credit underwriting and loan servicing.

Your Committee finds that Hawaii's diversified agriculture industry is expanding throughout the State and that land, labor and water are available for diversified agriculture with the closure of most of Hawaii's sugar plantations. It further finds that financing is a crucial element needed to foster growth and expansion of this industry, especially under current economic and fiscal conditions, where creativity is needed to provide assistance without expending limited state funds.

This bill permits the Department of Agriculture to underwrite and service loans utilizing cooperating lenders' funds to expand the agricultural loan pool and provide financing to agriculture at reasonable rates and terms. This program is innovative in that it utilizes non-state funds for agricultural loans and minimizing the risks to cooperating lenders because of the Department of Agriculture's guarantee of up to 90% of the loan. Also, this bill provides the Pension and Retirement Systems added investment option, that it may invest in obligations secured by mortgages on farm land guaranteed by the Department of Agriculture.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1628 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Herkes, Kaho'ohalahala, Morihara, Rath and Whalen.

**SCRep. 341 Agriculture on H.B. No. 1668**

The purpose of this bill is to appropriate funds for taro research by the University of Hawaii College of Tropical Agriculture and Human Resources.

Your Committee finds that the taro yield and quality throughout the State is declining due to diseases, particularly pocket rot and leaf blight, which afflict the leaves and corms of taro. Your Committee recognizes the continued multidisciplinary research being conducted at CTAHR into these diseases for the survival of the taro industry. The areas of research include: testing of fungal organisms found in Hawaii's taro; testing of cultural practices, including wider spacing, lower nitrogen application rates and use of disease-free planting materials; and, testing of resistant taro varieties.

Testimonies in support of this bill were received from the Kauai Office of Economic Development, the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Agriculture Research Center, the Ornamentals Pacifica, the Hui Kalo o Kahana, the Taro Farmers from Molokai, the Kauai Taro Growers Association, the Hawaii Taro Company, the University of Hawaii Cooperative Extension Service on Kauai, the Na Moku Aupuni o Ko'olau Hui, Christine Kobayashi, Harry Ako and Clarence E. Kaona.

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

Signed by all members of the Committee except Representatives Chang, Herkes, Kaho'ohalahala, Morihara, Rath and Whalen.

**SCRep. 342 Education on H.B. No. 856**

The purpose of this bill is to appropriate funds to ensure that each public high school has a full-time student activities coordinator.

Testimony in support of the bill was submitted by the Hawaii Student Activities Association, the Student Conference Planning Committee, a student activities coordinator, a former student activities coordinator, and twenty students. The Department of Education and the Hawaii State Teachers Association submitted testimony supporting the intent of the bill.

Your Committee finds that student activities coordinators not only coordinate activities at schools for all students, but also develop leadership skills among students. It is a job that requires attention not only during the school year, but throughout the entire calendar year.

Your Committee has amended the bill by:

- (1) Providing for each student activities coordinator to be hired on a twelve-month basis; 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 is in accord with the intent and purpose of H.B. No. 856, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 856, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 343 Education on H.B. No. 933**

The purpose of this bill is to convert 15 temporary athletic health care specialist positions in the Department of Education (DOE) to permanent positions.

Testimony in support of the bill was received from DOE, the Hawaii State Teachers Association, and the Hawaii Medical Association. The Athletic Directors and Coaches Association testified that they supported the conversion of 40 athletic trainers to permanent positions.

Your Committee finds that athletic health care trainers provide on-site health care services to their school, reducing the need for and costs of seeking treatment from private sector health care providers. However, many potential applicants choose not to apply because of the temporary status of the position. In addition, some of DOE's best athletic trainers are leaving the high schools for positions elsewhere, most often citing the temporary status of the DOE positions as a reason.

Your Committee finds that conversion of temporary athletic health care specialist positions to permanent status will help DOE recruit and retain qualified applicants by providing employment security and needed stability for continued program development. Accordingly, your Committee has amended this bill to provide for the conversion of 40, instead of 15, permanent athletic health care specialist positions.

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

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 344 Education on H.B. No. 1578**

The purpose of this bill is to establish a community/school-based pilot mentoring program at Nanakuli Intermediate and High School, Waimanalo Elementary and Intermediate School, and Samuel Wilder King Intermediate School.

Testimony in support of this bill was received from Na Hulu Mamo Ohana Way, Tu Tangata - Hawaii, Nanakuli High and Intermediate School, Waimanalo Elementary & Intermediate School, the Waimanalo Health Center, the Hawaiian Language Head at the University of Hawaii at Manoa, and approximately 30 educators, parents, students, and others supporters.

Your Committee finds that the presence of adults from the community in the classroom on a daily basis increases classroom learning time and contributes to a more orderly and respectful learning environment. Members of the community are able to develop a unique rapport with students and their families, resulting in students who are better prepared academically, socially, and culturally to move into the next grade level, the workforce, and the community.

Your Committee has amended the bill by changing the amount of the appropriation to \$1 from \$750,000 for fiscal years 1999-2000 and 2000-2001 for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1578, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 345 Education on H.B. No. 853**

The purpose of this bill is to provide guidelines to ensure the implementation of school-based budgeting beginning with the 2001-2003 fiscal biennium.

In particular, this bill requires the Governor to submit the Department of Education budget on a school-by-school basis, except for the district and state office programs, and establishes an education contingency fund to provide for unanticipated changes in school budgets as a result of personnel movements among schools. The bill further allows the department to transfer general fund appropriations among schools, and requires a quarterly report to the Legislature regarding the transfers.

Your Committee received testimony in support of the intent of this measure from the Superintendent of Education, although the Superintendent noted a number of concerns raised by the bill as to the goals to be achieved through school-by-school budgeting. Similarly, your Committee received testimony in support of the intent of this measure from the state Director of Finance. However, the Director stated that the Department of Budget and Finance did not support the bill for the reasons noted in the Governor's 1998

veto message. Finally, testimony in opposition to the measure was received from the Hawaii State Teachers Association, which had reservations and questions regarding the scope and implementation of the bill.

While your Committee notes the concerns raised regarding the implementation of school-by-school budgeting, your Committee nevertheless finds that school-by-school budgeting will help to ensure both greater flexibility for Hawaii's schools in making budget decisions and greater financial accountability for education programs in the State.

Upon further consideration, your Committee finds that the definition of "school-by-school budgeting" in the new section added to chapter 302A, Hawaii Revised Statutes, is nearly identical in practice to the definition of "school-based budget flexibility" as defined in section 302A-101 and as used in section 302A-1302, Hawaii Revised Statutes. Also in practical terms, "school-by-school budgeting" appears to already be required for EDN 100 by section 302A-1302 under the name of "school-based budget flexibility", which was intended to have begun with the 1995-1997 fiscal biennium, although it was never implemented, as noted in section 1 of the bill. Adding a new section to chapter 302A that provides for substantially the same requirements as existing law -- with two different implementation dates -- essentially provides for duplicative legislation and may be somewhat confusing.

Your Committee has accordingly amended this bill by:

- (1) Adding two new sections that repeal section 302A-1302 and the definition of "school-based budget flexibility" in section 302A-101, Hawaii Revised Statutes;
- (2) Renumbering the remaining sections; and
- (3) Making a grammatical correction in section 3 of the bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 853, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 853, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 346      Education on H.B. No. 510**

The purpose of this bill is to authorize the Board of Education to employ or retain attorneys to represent the Board without the approval of the Attorney General.

Your Committee received testimony in favor of this measure from the Board of Education. Testimony in opposition to the measure was received from the Department of the Attorney General.

While your Committee acknowledges the overall exceptionally high integrity, commitment, promptness, and legal quality of the representation provided by the Attorney General, as well as the added expense of hiring additional attorneys, your Committee nevertheless finds that the legal interests of the Board of Education, as a semi-autonomous elected body, are better served by allowing the Board to retain or hire its own attorneys without the approval of the Attorney General.

Your Committee finds that the Board of Education has faced problems in dealings with the Attorney General ranging from uncertain communications to conflicting and untimely legal opinions. While part of the problem may be related to the tremendous increase in litigation being handled by the Attorney General involving the Felix consent decree, your Committee finds that the Board has been prevented from assuming more aggressive legal positions than those currently undertaken by the Attorney General, and that allowing the Board to employ its own attorneys will allow the Board to respond more quickly, not only to its own needs, but to the legal needs of the Department of Education and the Hawaii State Public Library System as well.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 510 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura and Santiago.

**SCRep. 347      Education on H.B. No. 1328**

The purpose of this bill is to establish a pilot charter school by requiring the Department of Education to enter into agreements with nonprofit entities to construct, manage, and operate one such school.

The South Maui Learning Ohana submitted testimony in support of the bill. The Department of Education testified in support of the intent of the bill, but with some concerns.

The Hawaii State Teachers Association supported the vision of the proposed charter school, but suggested several amendments. The United Public Workers and the Hawaii Government Employees Association opposed the bill, citing collective bargaining concerns.



Your Committee believes that various kinds of attempts should be made to improve public education in Hawaii. One strategy that has been adopted by a number of states is to enable interested groups to establish independent schools funded with public funds, on the condition that these schools meet certain requirements. This bill is modeled after charter school legislation in other states.

Your Committee is sensitive to the various concerns that were raised by testifiers and has addressed most of these concerns by amending the bill as follows:

- (1) Deleted the exemptions from collective bargaining;
- (2) Appropriated funds for the Maui pilot charter school rather than as a grant to the South Maui Learning Ohana Incorporated; and
- (3) Made technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1328, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 348      Energy and Environmental Protection and Economic Development and Business Concerns on H.B. No. 1012**

The purpose of this bill is to continue many of the activities of the Clean Hawaii Center to promote recycling and remanufacturing business development activities in the State. The Clean Hawaii Center and the Clean Hawaii Fund are both scheduled to sunset on June 30, 1999.

This bill:

- (1) Establishes a permanent Clean Hawaii Fund (Fund) within the Department of Business, Economic Development, and Tourism (DBEDT). Monies deposited into the Fund will be used to make grants and pay all fees and costs relative to marketing, promoting, and developing recycled products and local processing, manufacturing, or purchasing of recycled products.
- (2) Transfers any unexpended or unencumbered balances remaining in the temporary Clean Hawaii Fund into the Fund instead of the Hawaii Capital Loan Program.

The continuation of the Clean Hawaii Fund is necessary to expend the balance of obligated and encumbered federal and state special funds that remain for implementation to complete programs and agreements.

The Sierra Club, DBEDT, University of Hawaii Environmental Center, and Hawaii Food Industry Association all submitted favorable testimony.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Economic Development and Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1012 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Garcia, Chang, Ito, Morihara, Saiki, Meyer and Thielen.

**SCRep. 349      Energy and Environmental Protection and Ocean Recreation and Marine Resources and Higher Education on H.B. No. 677**

The purpose of this bill is to continue to support renewable energy efforts by appropriating funds to study the feasibility of constructing and operating an ocean floating, all-natural clean energy power station.

In 1997, the Legislature appropriated \$50,000 for the Hawaii Natural Energy Institute (HNEI) to develop a strategic plan to design and build a sustainable resource floating platform through sponsorship of a workshop known as the International Ocean Alliance Summit. Conferees agreed on the need to produce a first phase engineering analysis report. This document will be used to obtain international cost matching for the design and construction of an appropriate marine facility.

Two individuals testified in support of this measure. The Department of Business, Economic Development, and Tourism supported the intent of this bill but deferred to the University of Hawaii (UH) with respect to the appropriation. Makai Ocean Engineering, Inc. and UH's HNEI and Environmental Center commented on the bill.

Your Committees have amended this bill by:

- (1) Reducing the appropriation to \$1 for continued discussion; and

- (2) Requiring a progress report from UH prior to the Regular Session of 2000.

Your Committees respectfully request the Committee on Finance to determine the appropriate expending agency for this project.

Finally, it is your Committees' intent to support efforts to recognize the contributions of the late Dennis Toyomura in spearheading this worthwhile undertaking by dedicating the power station in his name.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection, Ocean Recreation and Marine Resources, and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 677, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 677, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Stegmaier, Auwae and McDermott.

**SCRep. 350 Economic Development and Business Concerns on H.B. No. 140**

The purpose of this bill is to create a public-private infrastructure program to:

- (1) Transfer projects to improve, expedite, or create infrastructure systems and facilities from the public sector to the private sector; or
- (2) Expedite and allow the creation of infrastructure systems and facilities.

Testimony in support of this bill was submitted by the Building Industry Association and one individual. Testimony in opposition to this bill was submitted by the Board of Water Supply.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 140 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Ito and Saiki.

**SCRep. 351 Economic Development and Business Concerns on H.B. No. 667**

The purpose of this bill is to create a public-private infrastructure program to:

- (1) Transfer projects to improve, expedite, or create infrastructure systems and facilities from the public sector to the private sector; or
- (2) Expedite and allow the creation of infrastructure systems and facilities.

Testimony in support of this bill was submitted by the Building Industry Association and one individual. Testimony in opposition to this bill was submitted by the Board of Water Supply.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 667 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Ito and Saiki.

**SCRep. 352 Economic Development and Business Concerns on H.B. No. 830**

The purpose of this bill is to authorize companies to raise capital through small corporate offerings registration (SCOR). SCOR is a uniform registration system that allows small companies to obtain equity financing by selling common stock directly to the public.

The Department of Business, Economic Development, and Tourism, the Department of Commerce and Consumer Affairs, the Hawaii Congress on Small Business, and the Business Law Section of the Hawaii State Bar Association testified in support of the bill.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 830 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Ahu Isa, Ito and Saiki.

**SCRep. 353 Economic Development and Business Concerns on H.B. No. 770**

The purpose of this bill is to appropriate funds to establish manufacturing extension programs in the State.

The Chair of the Office of Hawaiian Affairs' Government Affairs and Sovereignty Committee, the Operations Manager for Industry Network Corporation, the Hawaii Food Manufacturers Association, and Arturo's submitted testimony in support of the measure. The Department of Business, Economic Development, and Tourism submitted testimony indicating its support for the measure so long as it does not adversely affect its Biennium Executive Budget.

Manufacturing extension programs have been instrumental in assisting small- and medium-sized businesses in improving their production and marketing capabilities. In fact, there are many small- and medium-sized businesses in the State that are eligible for manufacturing extension program assistance. Your Committee recognizes that the Industry Network Corporation, the designee of the federal Manufacturing extension partnership funds in Hawaii, passed its annual review and received \$686,534 for 1999 from the federal government; however, these funds must be matched by state funds. It is your Committee's belief that this program is an excellent way of getting the most for our state dollars, so it is critical that these federal dollars be matched.

Your Committee has amended this bill by changing the amount of the appropriation to \$1 to facilitate further deliberation on the financial aspect of the bill.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 770, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 770, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Ahu Isa, Ito and Saiki.

**SCRep. 354 Economic Development and Business Concerns and Higher Education on H.B. No. 965**

The purpose of this bill is to support the Small Business Development Center (Center) by:

- (1) Creating a separate line item in the legislative budget for the Center at the University of Hawaii at Hilo (UH-Hilo); and
- (2) Appropriating funds for the operation of the Center and the operation of the Center's business research library.

Testimony in support of this measure was submitted by the UH-Hilo Small Business Development Center, the Rural Economic Transition Assistance-Hawaii Program, and the Business Research Library, Hawaii Small Business Development Center Network. Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committees have amended this bill by:

- (1) Changing the appropriation amounts to \$1 to facilitate continued discussion on the financial aspects of the bill; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 965, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 965, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Abinsay, Ahu Isa, Ito, Saiki, Santiago, Stegmaier, Halford and McDermott.

**SCRep. 355 Labor and Public Employment on H.B. No. 1036**

The purpose of this bill is to allow the board of trustees of the Employees' Retirement System (ERS) to invest in real estate through limited liability companies and similar entities.

The ERS commented on the bill.

Your Committee finds that the ERS will benefit by expanding its permitted real estate investment vehicles to include the new form of entity, limited liability company, and similar entities.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1036, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1036, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 356 Labor and Public Employment on H.B. No. 486**

The purpose of this measure is to:

- (1) Provide an unspecified tax credit for employers that provide a safe and secure area for a new mother to breastfeed;
- (2) Require employers to provide nursing employees with up to one-half hour per working day for the sole purpose of breastfeeding or expressing milk for up to one year after giving birth;
- (3) Specify that it is a discriminatory practice to restrict or limit the right of a woman to breastfeed in a place of public accommodation; and
- (4) Exempt breastfeeding from being considered an indecent exposure.

The Department of Labor and Industrial Relations, the Hawaii State Commission on the Status of Women, Healthy Mothers Healthy Babies Coalition of Hawaii, the Kapiolani Medical Center for Women & Children, and members of the public testified in support of this measure. The Department of Health and the Hawaii Civil Rights Commission testified in support of the intent of this measure. The Department of Taxation opposed this measure.

Upon further consideration, your Committee amended this measure by:

- (1) Giving employers the option to provide nursing employees with adequate time during the working day to breastfeed or express milk for a period not exceeding one year after the birth of a child;
- (2) Requiring the State Commission on the Status of Women to accumulate, compile, and publish information about instances of discrimination involving breastfeeding or expressing breastmilk in the workplace;
- (3) Specifying that it is a discriminatory practice for any employer or labor organization to refuse to hire, discharge, or withhold pay, demote, or penalize a lactating woman who breastfeeds or extracts expressed breastmilk at the workplace;
- (4) Deleting the provision which makes it a discriminatory practice to restrict or limit the right of a woman to breastfeed a child in a place of public accommodations;
- (5) Deleting the indecent exposure offense exemption for women breastfeeding in a public place; and
- (6) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee finds that breastfeeding is a natural function that provides perfect food for infants. The advantages of breastfeeding are indisputable and include nutritional, immunological, and psychological benefits for both infant and mother. In Hawaii, a high percentage of women attempt to breastfeed their infants in the hospital, but by their six-week postpartum check, the rate quickly declines. Your Committee finds that this decline is caused in part by mothers returning to the workforce soon after delivery because of Hawaii's high cost of living and employers' lack of support for breastfeeding.

Your Committee further finds that employers lack the proper knowledge and incentives to fully support the practice of breastfeeding. This measure addresses this problem by promoting the practice of breastfeeding in the workplace via tax incentives and statutory recognition that it is a discriminatory practice to penalize a breastfeeding employee.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 486, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 486, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 357 Labor and Public Employment on H.B. No. 1165**

The purpose of this bill is to amend the Occupational Safety and Health Training and Assistance Fund (Fund) by:

- (1) Including among the Fund's uses certification programs to enhance safety and health; and
- (2) Extending the Fund's repeal date to July 1, 2003.

The Department of Labor and Industrial Relations and Hawaii Island Contractors Association testified in support of this bill.

Your Committee finds that the Fund has been successful in reducing the frequency of workplace accidents, as well as the cost to businesses.

Your Committee has amended the bill by:

- (1) Making technical, nonsubstantive amendments to the bill to ensure that only provisions related to the Fund in section 396-4(c), Hawaii Revised Statutes, are repealed and reenacted; and
- (2) Changing the effective date to June 30, 1999, to preserve the intent and purpose of this bill.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1165, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1165, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 358 Labor and Public Employment on H.B. No. 471**

The purpose of this bill is to:

- (1) Establish a safe harbor declaration for individuals and business entities with no employees so they will not be subject to payroll unemployment insurance (UI) contributions required by chapter 383, Hawaii Revised Statutes;
- (2) Allow employers to appeal UI grievances without a deposit of disputed amounts; and
- (3) Require the Department of Labor and Industrial Relations (DLIR) to pay interest and other costs upon appeal of a UI grievance if the final judgment favors the individual or business entity.

Testimony in support of the bill was received from the Hawaii Chapter of the American Massage Therapy Association and several individuals. Testimony in opposition to the bill was received from DLIR.

Your Committee finds that a balance needs to be struck between DLIR's ability to enforce the law and a business enterprise's ability to operate as it sees fit.

Your Committee has amended this bill by:

- (1) Deleting the ability of individuals and business entities to recover interest and additional costs or charges from DLIR upon a final judgment in their favor in a UI grievance; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 471, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 471, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 359 Labor and Public Employment on H.B. No. 1161**

The purpose of this bill is to clarify that attorney's fees and other costs of the opposing party should not be assessed against the Director of Labor and Industrial Relations (Director) in cases involving the collection of unpaid wages.

The Department of Labor and Industrial Relations testified in support of this bill.

Your Committee finds that the primary purpose of chapters 387 and 388, Hawaii Revised Statutes, is to ensure that workers:

- (1) Are paid the wages due to them; and
- (2) Those wages are paid in a timely manner.

When those two criteria are not met, many affected workers turn to the Director for assistance to collect these wages. The Director may bring legal action on behalf of the workers to collect the unpaid wages. Your Committee finds that under current law, it is clear that the Director is not required to pay the filing fee or other costs incurred in the pursuit of collecting unpaid wages. This measure clarifies that attorney's fees and costs of the opposing party also cannot be assessed against the Director in these cases.

Your Committee further finds that this measure is necessary to ensure that the courts will not assess attorney's fees and costs against the Director when the Director fails to prevail, as one court recently did. If attorney's fees and costs continue to be assessed against the Director, then the Director may not be able to afford to pursue and enforce the wage laws in as many cases as currently pursued.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1161, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.  
(Representatives Moses and Rath voted no.)

**SCRep. 360 Labor and Public Employment on H.B. No. 1372**

The purpose of this bill is to:

- (1) Prohibit discrimination in employment due to genetic testing information or an individual's refusal to take or submit to a genetic test; and
- (2) Prohibit requiring genetic testing as a prerequisite for health, life, and long-term care insurance.

ILWU Local 142 and the Hawaii Nurses' Association submitted testimony in support of the measure. The Department of Health, the Hawaii Civil Rights Commission, and Hawaii Medical Association submitted testimony in support of the intent of the measure.

Your Committee has amended this bill by making technical amendments that:

- (1) Delete sections of the bill that prohibit insurers from requiring individuals to undergo genetic testing or present the test results to the insurer to obtain health, life, and long-term insurance; and
- (2) Broaden the bill to provide that no insurer may issue policies or certificates of life, disability income, or long-term care insurance based on an individual's genetic information or the genetic test results unless:
  - (a) The information or test results establishing the risks to the insured are reviewed and approved by a genetics professional who is board certified by the American Board of Medical Genetics or the American Board of Genetic Counseling; and
  - (b) The terms and conditions of the policy or certificate are derived from the application of established underwriting standards to the risks established under the bill.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1372, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1372, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.  
(Representatives Moses and Rath voted no.)

**SCRep. 361 Labor and Public Employment on H.B. No. 1042**

The purpose of this bill is to permit the Hawaii Public Employees Health Fund Board of Trustees to contract for more than one type of benefit plan.

Testimony in support of the measure was submitted by the Hawaii State Teachers Association and a private company.

Your Committee finds that the Hawaii Public Employees Health Fund Board of Trustees should be given the flexibility to contract for more than one type of benefit plan.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1042, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1042, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 362 Labor and Public Employment on H.B. No. 1160**

The purpose of the bill is to improve the employment security appeals process by allowing:

- (1) Hearings to be held in counties besides the county in which the appeal was filed; and
- (2) The Employment Security Appeals Referee Officer to hold a hearing by telephone and other types of technology.

Testimony in support of the measure was submitted by the Department of Labor and Industrial Relations.

Your Committee finds that in order to facilitate meeting federal standards governing the timely disposition of unemployment compensation appeals, statutory authority should be granted to hold hearings by telephone or other communication devices.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1160, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 363      Labor and Public Employment on H.B. No. 1166**

The purpose of this bill is to make the disbursements of the Department of Labor and Industrial Relations (DLIR) for employment and training funds more accessible to the business community and employees.

The DLIR, the State Procurement Office, and the Oceanic Institute submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1166 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 364      Labor and Public Employment on H.B. No. 94**

The purpose of this bill is to provide a military service credit of up to four years to qualified retirants of the Employees' Retirement System.

The Retirees Unit of the Hawaii Government Employees Association and the United Public Workers supported this bill. The Hawaii State Teachers Association supported the intent of this bill. The Employees' Retirement System submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 94, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 94, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 365      Labor and Public Employment on H.B. No. 564**

The purpose of this bill is to allow qualifying Employees' Retirement System (ERS) members to acquire military service credit at no cost and to purchase additional service credits.

The United Public Workers and two individuals supported the bill.

The Office of Veterans Services and the Hawaii State Teachers Association supported the intent of the bill. The ERS submitted comments anticipating that the cost associated with this bill to be significant.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 564, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 564, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 366      Economic Development and Business Concerns and Water and Land Use on H.B. No. 1022**

The purpose of this bill is to repeal the Hamakua Community Development District (District), which was created to assist in the economic recovery of the area after the closure of the Hamakua Sugar Company.

Act 311, Session Laws of Hawaii 1993, includes requirements that need to be satisfied before development is authorized in the District. Since the Department of Business, Economic Development, and Tourism (DBEDT), the Hilo-Hamakua Coordinating Committee, and the Hawaii Community Development Authority jointly implemented an alternative approach for identifying development projects, the District is not necessary.

Testimony in support of this bill was provided by DBEDT, the County of Hawaii Planning Department, and the Hawaii Community Development Authority.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Water and Land Use that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1022 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chang, Garcia, Ito, Morihara, Saiki, Meyer and Thielen.

**SCRep. 367      Public Safety and Military Affairs on H.B. No. 263**

The purpose of this bill is to make an appropriation for the Hawaii National Guard Youth Challenge program. This program serves as an intervention in the lives of at-risk youth, helping the participants to learn self-discipline, leadership, and responsibility while working to complete their high school diploma academic schedule.

The Hawaii Department of Defense, the Superintendent of Schools, and the Office of Youth Services submitted testimony in support of this measure.

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

- (1) Inserting a requirement for a report to the legislature, and;
- (2) Changing the expending agency to the Department of Defense.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 263, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 263, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 368      Public Safety and Military Affairs on H.B. No. 789**

The purpose of this bill is to appropriate funds for the KASHBOX program at Waiawa Correctional Facility to supplement the program's budget shortfall.

The Department of Public Safety, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Government Efficiency Teams, Inc., the Hawaii Parole Authority, and the Hawaii Parole Board testified in support of this measure. The Community Alliance on Prisons and T.J. Mahoney & Associates testified in support of the measure with amended language. A member of the public commented on this measure.

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

- (1) Appropriating \$1 for the KASHBOX appropriation for discussion purposes;
- (2) Including a provision to provide funds for the women's drug treatment program, Ho'omana, at the Women's Community Correctional Center (WCCC); and
- (3) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee finds that drug and alcohol treatment programs within the prison system is essential to address recidivism and the attendant criminal justice costs. According to a Drug Abuse Report Program Study done by the National Institute of Drug Abuse, untreated addicts and alcoholics cost taxpayers around \$130,000,000 annually. Your Committee finds that moneys spent now will save the State and taxpayers in the long run. Additionally, KASHBOX is an extremely successful program--out of 493 inmates treated by the KASHBOX program, 297 inmates have graduated, with an average retake rate of 38 percent.

Operating at the Waiawa Correctional Facility, KASHBOX is an exclusively male program. Your Committee also finds that the Ho'omana drug treatment program, KASHBOX's female counterpart, is equally deserving of financial support from the Legislature. Incarcerated women face similar drug and alcohol-related risks that can be mitigated by the Ho'omana program.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 789, H.D. 1, and be referred to the Committee on Finance.



Signed by all members of the Committee.

**SCRep. 369 Human Services and Housing on H.B. No. 400**

The purpose of this measure is to appropriate funds for support services for victims of domestic violence.

Testimony in support of this measure was submitted by the Judiciary, the Department of the Prosecuting Attorney, City and County of Honolulu, the Department of Health, the Democratic Party of Hawaii, the Hawaii Catholic Conference, and the Domestic Violence Clearinghouse and Legal Hotline.

Your Committee finds that additional funds should be made available to address domestic violence. These funds should be used to improve the legal system and increase victim support services.

Your Committee has amended the measure by:

- (1) Providing that both the Family Court and the Department of the Attorney General should expend additional funds to address domestic violence;
- (2) Changing the appropriation to \$1 for each expending agency for discussion purposes; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 400, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 370 Human Services and Housing on H.B. No. 812**

The purpose of this bill is to provide equitable rewards to the Department of Human Services (DHS) by allowing DHS to retain federal funding awards for superior performance.

DHS submitted testimony in support of this measure. The Department of Budget and Finance submitted testimony in opposition of this measure.

Your Committee finds that it is only fair to allow DHS to retain federal funding awards for outstanding performance within DHS instead of returning it to the general fund.

Your Committee has amended this measure by:

- (1) Allowing DHS to use the awards for general operations;
- (2) Specifying that the awards will maintain and enhance the superior performance of units which were responsible for the funds being awarded to the State; 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 812, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 812, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 371 Human Services and Housing on H.B. No. 1485**

The purpose of this bill is to eliminate the requirement that there be a complaint or indictment in the District Court when a defendant is charged with certain offenses.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that it is neither required nor the practice to charge a defendant through a complaint or indictment for cases solely under District Court jurisdiction. Your Committee believes that no complaint or indictment should be necessary in District Court when there is concurrent jurisdiction between the District, Circuit, and Family Courts over certain offenses which had previously been under the exclusive jurisdiction of Family Court.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1485 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 372 Health on H.B. No. 632**

The purpose of this bill is to improve the quality of life for persons with developmental disabilities by:

- (1) Establishing the Developmental Disabilities Special Fund (Special Fund) for individuals with developmental disabilities (DD) or mental retardation (MR);
- (2) Allowing the Department of Health (DOH) to designate area agencies or managed support organizations to provide supports and services;
- (3) Providing for a supported living stipend to enable DD/MR individuals to live independently in a setting other than a licensed residential facility; and
- (4) Appropriating funds for home and community-based services and for a programmatic evaluation of case management services provided by DOH.

The State Planning Council on Developmental Disabilities, Catholic Charities, Easter Seals Hawaii, the Arc of Kauai, Kona Krafts, the Brantley Center, and three individuals submitted testimony in support of this measure. DOH submitted testimony in support of the intent of this measure. The Department of Human Services (DHS), the Arc in Hawaii, and an individual submitted comments.

Your Committee finds that this measure addresses several significant issues that are vitally important to increasing and enhancing services and supports for individuals with developmental disabilities in a more flexible and responsive manner.

Your Committee has amended this measure by:

- (1) Amending the scope of the Special Fund;
- (2) Replacing the appropriation that provides:
  - (A) Increased home and community-based services; and
  - (B) Support changes to the present system to make it more flexible and responsive to meet the needs of families; with an appropriation for the State's share of matching funds for Title XIX Medicaid funds;
- (3) Clarifying that the appropriations for Title XIX Home and Community-based Waiver Services be expended from DHS' "U" fund (HMS 601);
- (4) Replacing all appropriations with \$1 for purposes of further discussion; 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 is in accord with the intent and purpose of H.B. No. 632, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 632, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 373 Health on H.B. No. 895**

The purpose of this bill is to ensure the timely transport of seriously ill and injured persons to definitive medical facilities by requiring the Department of Health (DOH) to:

- (1) Integrate emergency aeromedical services (EAS) into statewide emergency medical services (EMS); and
- (2) Establish an emergency aeromedical information system (information system) and quality improvement committee.

DOH, the Hawaii County Fire Department, the Healthcare Association of Hawaii, and one individual submitted testimony in support of this measure. One individual submitted testimony in support of the intent of this measure.

Your Committee finds that this measure will ensure that Neighbor Island communities will not be placed at risk of unnecessary death or disability due to system delays or unavailable aeromedical services.

Your Committee has amended this measure by:

- (1) Authorizing instead of requiring DOH to integrate EAS into statewide EMS;
- (2) Requiring DOH to support the interagency dispatch policy and procedures for aeromedical transports;
- (3) Deleting the section requiring the counties to provide EAS;
- (4) Removing the requirement that DOH administer an information system;
- (5) Removing the requirement that the information system be used to develop EAS standards;
- (6) Clarifying that the EAS will include factual data;
- (7) Clarifying that the communication and dispatch component of the information system include notification to aeromedical dispatch;
- (8) Removing the medical oversight by physicians component of the information system based on national standards;
- (9) Simplifying the EAS licensing and standards component of the information system to only licensing;
- (10) Clarifying that the EAS Quality Improvement Committee is an advisory committee;
- (11) Simplifying the tasks of the advisory committee to only analyze information collected from the aeromedical quality improvement performance measures; and
- (12) 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 is in accord with the intent and purpose of H.B. No. 895, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 895, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 374      Health on H.B. No. 325**

The purpose of this bill is to protect health care consumers by requiring medical directors of managed health care plans to be licensed to practice medicine in Hawaii.

The Hawaii Coalition for Health, the Hawaii Federation of Physicians and Dentists, and the Hawaii Medical Association submitted testimony in support of this measure. The Hawaii Medical Services Association submitted testimony in support of the intent of this measure. Queen's Health Management and Queen's Health Plans submitted testimony in opposition of this measure.

Your Committee finds that because medical directors of health plans make medical decisions which are clinical in nature, rather than insurance or business decisions, they should be subject to the standards and review of the state Board of Medical Examiners in the same manner as practicing physicians.

Your Committee has amended this measure by:

- (1) Redefining the term "medical director" to mean the person who is authorized under a managed care plan and who makes decisions for the plan denying or allowing requests for medical treatments, services, or supplies based on medical necessity or other appropriate medical standards; and
- (2) Deleting the definition of "medical necessity".

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 325, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 375      Health on H.B. No. 635**

The purpose of this bill is to effectuate its title.

H.B. No. 635 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the action to report out H.B. No. 635, as amended herein, and recommends that it be recommitted to the Committee on Health, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 635, H.D. 1.

Signed by all members of the Committee.

**SCRep. 376 Human Services and Housing and Health on H.B. No. 1061**

The purpose of this bill is to effectuate its title.

H.B. No. 1061 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general ideas as to the purpose of the bill without specific details in long form.

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

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the action to report out H.B. No. 1061, as amended herein, and recommends that it be recommitted to the Committees on Human Services and Housing and Health, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1061, H.D. 1.

Signed by all members of the Committees except Representative Kahikina.

**SCRep. 377 Consumer Protection and Commerce on H.B. No. 13**

The purpose of this bill is to make nonsubstantive, housekeeping amendments to provisions of Chapter 432, Hawaii Revised Statutes (HRS), to allow mutual benefit societies to become incorporated under Chapter 415B, HRS, the Hawaii Nonprofit Corporation Act (HNCA).

Your Committee received testimony from the Business Registration Division of the Department of Commerce and Consumer Affairs (DCCA), which had no opposition to the bill but suggested amendments deleting archaic references to the term "charter," used in repealed provisions of the HNCA. Testimony was also submitted by the Hawaii Medical Service Association (HMSA), which recommended additional revisions to Chapter 415B, consistent with this bill.

Upon consideration of the bill and the testimony submitted, your Committee has amended this bill as suggested by DCCA and HMSA, by making the technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 13, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 13, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Morita, Yoshinaga, Rath and Thielen.

**SCRep. 378 Consumer Protection and Commerce on H.B. No. 141**

The purpose of this bill is to provide the Public Utilities Commission with the additional resources needed to clear its dockets in a timely manner, by mandating that no more than one-third of the moneys left in the public utilities commission special fund shall lapse to the credit of the general fund on June 30 of each year.

The Public Utilities Commission, the Department of Commerce and Consumer Affairs, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., GTE, The Gas Company and Kauai Electric testified in support of the bill. Hawaii Transportation Association testified in support of the bill with a preference to allow the public utilities commission to retain the entire balance of their special fund. GST Telecom Hawaii supported the general intent of the bill and recommended that the excess funds be returned to ratepayers rather than lapsing into the general fund.

Your Committee finds that the PUC's ability to address many complex issues on a timely basis significantly impacts the State's infrastructure and utility service to customers. This bill will enable the PUC to discharge its responsibilities more effectively.

In regards to whether excess funds should be returned to ratepayers instead of lapsing into the general fund, your Committee believes that this is an important fiscal issue that should be reviewed further by the Finance 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 H.B. No. 141 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 379 Consumer Protection and Commerce on H.B. No. 206**

The purpose of this bill is to redefine "cooler beverage" to mean any liquor containing less than seven per cent of alcohol by volume and added natural or artificial blending material, such as fruit juices, flavors, flavorings, or adjuncts, water (plain, carbonated or sparkling), colorings, or preservatives.

The effect of the bill is to treat low-alcohol pre-mixed beverages equally for tax purposes, regardless of whether the alcohol base is beer, wine or distilled spirits.

Testimony in support of this bill was received from the Distilled Spirits Council of the United States (DISCUS), the Retail Liquor Dealers Association (RLD), and the Tax Foundation of Hawaii. Mothers Against Drunk Driving (MADD), the Department of Taxation, and the Wine Institute submitted testimony opposing the bill.

Supportive testimony pointed out the unfairness of the current law which taxes wine and malt beverage coolers at \$0.85 per wine gallon, while subjecting equally low-alcohol spirit coolers to a tax of \$5.98 per wine gallon. RLD further testified that current law favors the wine and malt beverage industry, not the consumer. DISCUS estimated that there is an estimated liquor tax revenue loss of \$400,000 because the result of the high tax on spirit coolers is that these beverages are not now being sold in Hawaii.

Your Committee concurs with the supporting testimony and also sees benefits to consumers in terms of choices and pricing in the marketplace. Your Committee has made a technical, nonsubstantive amendment to the bill for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 206, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 206, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 380 Consumer Protection and Commerce on H.B. No. 440**

The purpose of this bill is to:

- (1) Allow the Narcotics Enforcement Division (NED) to share prescription information with physicians; and
- (2) Appropriate funds from the controlled substance registration revolving fund for one full-time data processing systems analyst position to carry out this task.

The Narcotics Enforcement Division testified in strong support of this bill.

Your Committee finds that this bill will be beneficial for practitioners to better identify patients who are abusing controlled substances by obtaining multiple prescriptions. Your Committee further finds it important that the information disclosed to authorized practitioners is and remains confidential, and is intended to be used as a tool to prevent the improper or illegal use of controlled substances.

For purposes of clarity and style, your Committee has amended this measure by making some technical and nonsubstantive amendments. Your Committee has also deleted lines 16 and 17, which is material more appropriately included in a committee report and its substance is reflected in your Committee's findings.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 440, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 440, H.D. 2.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Takumi, Yoshinaga and Thielen.

**SCRep. 381 Consumer Protection and Commerce on H.B. No. 462**

The purpose of this bill is to require the Department of Health (DOH) to conduct a study of the health consequences associated with the use of latex products in the provision of health care.

Testimony supporting the bill was presented by the Hawaii Nurses' Association, InCo and Associates, and an interested individual, all of whom expressed concern for the seriousness of this growing problem. The Department of Health testified that it recognizes the problems caused by latex products, but it does not have the expertise and resources to conduct such a study.

Your Committee recognizes that, in order to develop measures to protect the general public, patients, and workers involved with health care, we must better understand the nature and extent of the hazards associated with the use of latex products, and to determine

the costs and benefits of preventive measures and alternative products. Your Committee concurs with the Hawaii Nurses' Association that it would be helpful if this study identified the health care facilities that have implemented, or are in the process of implementing, safety recommendations of the National Institute for Occupational Safety and Health (NIOSH). Therefore, your Committee has amended the bill to include that analysis, and has specified the NIOSH recommendations to be investigated.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 462, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 462, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Morita, Yoshinaga, Rath and Thielen.

**SCRep. 382 Consumer Protection and Commerce on H.B. No. 756**

The purpose of this bill is to establish the universal service fund as a special fund outside of the state treasury, and to appropriate moneys from that fund to implement the policies and goals of universal telecommunications service. The bill provides that any unexpected or unencumbered balance of the appropriation will lapse into the universal service fund.

The Public Utilities Commission (PUC) presented testimony supporting the bill, pointing out that establishing the special fund outside the State treasury will not remove the fund from legislative oversight. The PUC also recommended an amendment to allow the PUC temporarily to borrow funds from the public utilities special fund to start the universal service fund, with repayment to be made when sufficient funds are collected in the universal service fund.

Testimony supporting this bill was also presented by the Department of Commerce and Consumer Affairs, AT&T, GTE, TelHawaii, Inc., Oceanic Communications, GST Telecom Hawaii, Inc., and AARP.

Your Committee recognizes the importance of establishing the separate special fund in order to assure that universal telephone service remains affordable, particularly for rural, high-cost, and under-served areas of this State. Your Committee concurs with the PUC's recommendation and has amended the bill accordingly.

Your Committee has also made technical and nonsubstantive amendments, including deleting sections 5 and 6 of the bill since these sections are provided for under sections 40-89 and 1-23, Hawaii Revised Statutes. Your Committee has also amended the "drop dead" clauses pertinent to sections 36-27 and 36-30, Hawaii Revised Statutes, to assure that the amendments made by this bill survive the repeal and reenactment of those sections.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 756, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 756, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Morita, Yoshinaga, Rath and Thielen.

**SCRep. 383 Consumer Protection and Commerce on H.B. No. 1064**

The purpose of this bill is to extend authorization for the director of finance to issue up to \$200 million in reimbursable general obligation bonds through fiscal year 2000-2001 for deposit into the hurricane reserve trust fund.

The Department of Commerce and Consumer Affairs testified in support of the bill, explaining that the current authorization expires at the end of fiscal year 1999 and that the requested authorization is an integral part of retaining Hawaii hurricane relief fund's federal tax exempt status, and is needed to ensure that the fund will have sufficient capacity to cover future hurricane generated losses.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1064 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga, Halford, Rath and Thielen.

**SCRep. 384 Consumer Protection and Commerce on H.B. No. 1066**

The purpose of this measure is to amend various provisions of the Insurance Code by:

- (1) Increasing fines for the violation of the Insurance Code from not less than \$10 nor more than \$1,000, to not less than \$100 nor more than \$10,000;
- (2) Rewriting a licensing provision applicable to fraternal benefit society agents to clarify applicability; and
- (3) Ensuring that mutual benefit society policies are readable by requiring they meet the standards of the Flesch Reading Ease tests.

The Department of Commerce and Consumer Protection and Commerce (DCCA), Kaiser Permanente, and Hawaii Medical Service Association (HMSA), testified in support of this bill. HMSA testified that although the Flesch Reading Ease requirements were duplicative of those under existing law, they supported the intent of the law. DCCA testified that:

- (1) Increased penalties are appropriate, especially in light of recent violations of the Insurance Code that had merited fines in excess of the existing \$1,000 maximum;
- (2) Amendments to the fraternal benefit society agent licensing law are necessary to eliminate uncertainty as to the type of license that is obtained under section 432:2-609; and
- (3) Easy reading requirements are already applicable to insurance policies other than those of mutual benefit societies and health maintenance organizations, which should not be exempt.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1066, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Takumi, Yoshinaga and Thielen.

**SCRep. 385 Consumer Protection and Commerce on H.B. No. 1067**

The purpose of this bill is to establish a mandatory continuing education (CE) program for general agents, subagents, solicitors, designated representatives, and nonresident agents licensed to do business in Hawaii's insurance industry. Among other things the bill:

- (1) Requires that to avoid being placed on inactive status, licensees must complete either 20 or 30 hours of Insurance Commissioner (Commissioner) approved CE courses within the 23 months preceding the time set for license renewal, the number of hours being dependent upon whether the licensee is authorized to sell insurance in one, or both of the groups of insurance specified in the bill;
- (2) Provides for CE equivalents as determined by the Commissioner;
- (3) Allows the Commissioner to penalize licensees who have submitted invalid or false certificates of course completion;
- (4) Authorizes the hiring of a CE licensing assistant to administer the CE program;
- (5) Increases licensing fees;
- (6) Mandates that licensing fees and late penalties are to be paid into a newly created Insurance Licensing Administration Special Fund, to be used for the administration of the law and other licensing expenses.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs (DCCA), Hawaii State Association of Life Underwriters (HSALU), Hawaii Independent Insurance Agents (HIIA), and State Farm Insurance Companies.

DCCA testified that it could strongly support the measure because the bill provided resources needed to carry out the program. DCCA testified that a CE program would benefit the public by keeping agents knowledgeable about current insurance laws, regulations, and industry practices. In addition, DCCA stated that a CE program was needed as Hawaii was one of only three states in the nation lacking CE, and local agents and solicitors were thereby placed at a competitive disadvantage, being unable to sell insurance in other states because their licenses are not entitled to reciprocity.

HIIA testified that the reciprocity agreements between states with CE allow agents to obtain non-resident licenses without having to take licensing exams, and recognize and accept the resident state's continuing education courses and requirements. Although there was concern among members of HIIA regarding the increased licensing fees, HIIA stated the establishment of a CE program was the organization's priority.

HSALU noted that the bill lacked an advisory committee to approve courses and course providers, and urged the DCCA to ensure during rulemaking that all lines of insurance be represented to advise the Commissioner on courses and provider approvals.

Your Committee agrees that the CE program established by this bill is needed to support this State's insurance industry. Your Committee has reviewed this measure and amended it for purposes of style, clarity, and accuracy. In addition, your Committee has primarily technical questions concerning subsection (f), on pages 7 and 8, which governs expenditures, and section 6, on page 13, an appropriation provision, but believes that these questions would be most appropriately resolved by the Committee on Finance.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1067, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1067, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga, Halford, Rath and Thielen.

**SCRep. 386 Consumer Protection and Commerce on H.B. No. 1069**

The purpose of this bill is to increase assessment amounts paid by insurers, that are credited to the insurance examiners revolving fund (IERF), and to make permanent the IERF. Section 1 of the bill increases the assessment amount from \$550 a year to \$800 a year. Sections 2 through 4 eliminate the sunset and repeal provisions of the laws affecting the IERF, and eliminate related conditional provisions for transfer of moneys from the IERF to the general fund.

The Department of Commerce and Consumer Affairs (DCCA) strongly supported the bill, explaining the need for the increased assessments to cover increased personnel costs incurred as a result of four examination fund positions being transferred to the IERF under Act 116, Session Laws of Hawaii 1998. DCCA also testified that the elimination of the sunset provisions are necessary to sustain certain accreditation requirements set by the National Association of Insurance Commissioners (NAIC), including requirements for risk-based capital that protect against insolvencies. DCCA emphasized that the permanence of the IERF is necessary to enable the Insurance Division to meet its NAIC accreditation requirement of proof of financial ability to conduct examinations, and to enable the Division to perform examinations and conduct financial surveillance to assure the solvency of all insurance companies doing business in our state.

Your Committee recognizes the importance of the IERF and the need for its permanence, but has concerns regarding the amount of the increased assessment and would recommend that the Committee on Finance to take a closer look at 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 is in accord with the intent and purpose of H.B. No. 1069 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga, Halford, Rath and Thielen.

**SCRep. 387 Consumer Protection and Commerce on H.B. No. 1082**

The purpose of this bill is to allocate forty per cent of all revenues and amounts received from financial institutions under the franchise tax law, to be credited to the financial institution examiners' revolving fund. This measure will allow the Division of Financial Institutions (DFI) to become self-funding.

The Department of Commerce and Consumer Affairs's testimony in support of the bill emphasized the importance of insulating DFI from the fluctuations of funding out of the general fund, in order that DFI can maintain examination and support staff adequate to effectively supervise state-chartered financial institutions, and can maintain its accreditation status. Hawaii Financial Services Association, Hawaii Credit Union League, and Hawaii Bankers Association also testified in support of the bill. The Tax Foundation of Hawaii submitted testimony in opposition to the bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1082 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga, Halford, Rath and Thielen.

**SCRep. 388 Consumer Protection and Commerce on H.B. No. 1287**

The purpose of this bill is to reduce the gas rates for the general public by authorizing the issuance of \$19,600,000 in special purpose revenue bonds for capital improvement programs for the local furnishing of utility gas by The Gas Company, a division of Citizens Utilities Company. The bill also authorizes issuance of refunding special purpose revenue bonds.

Testimony in support of this bill was received from The Gas Company and the Department of Budget and Finance (Department). The Department suggested an amendment of the date in section 4, so as to make the provision consistent with dates in sections 2 and 6.

Your Committee concurs with the amendment recommended by the Department, and has amended the date in section 4, changing "December 31, 1999" to "December 31, 2002".

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1287, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1287, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Takumi, Yoshinaga and Thielen.



**SCRep. 389 Consumer Protection and Commerce on H.B. No. 1624**

The purpose of this bill is to give the State Insurance Commissioner the authority to set license and renewal fees of captive insurance companies through administrative rules, rather than by statute.

Testimony in support of the bill was received from the Department of Commerce and Consumer Affairs (DCCA), Hawaii Captive Insurance Council, J&H Marsh & McLennan, and 50th State Risk Management Services, Inc. DCCA testified that risk retention captives do require much more work prior to and after approval, so this bill would allow setting fees in proportion to the amount of work involved.

Your Committee recognizes that the captive insurance industry has been growing and providing an economic benefit for this State. This bill will assure proper administration of fees and support prudent regulation of captive insurance companies, which factors are integral to maintaining a reputable and attractive captive domicile.

Your Committee has made some technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1624, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Morita, Yoshinaga, Rath and Thielen.

**SCRep. 390 Public Safety and Military Affairs and Judiciary and Hawaiian Affairs on H.B. No. 1196**

The purpose of the bill is to extend until June 30, 2000, the Emergency Release Program for pre-trial inmates.

Testimony in support of the bill was received from the Department of Public Safety. Testimony in opposition to the measure was received from the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committees find that current circumstances compel the extension until June 30, 2000, of the Emergency Release Program affecting pre-trial inmates.

Your Committees have amended this measure by:

- (1) Correcting a statutory reference in Act 227, Session Laws of Hawaii 1998, concerning detainees found to be mentally defective or incapacitated;
- (2) Changing the effective date to June 29, 1999; 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 Public Safety and Military Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1196, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1196, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chang, Hiraki, Yoshinaga and Thielen.

**SCRep. 391 Public Safety and Military Affairs and Judiciary and Hawaiian Affairs on H.B. No. 1460**

The purpose of this bill is to appropriate funds to obtain federal grant moneys to continue phase II of the Third Circuit Court Video Conferencing Project.

Your Committees find that the use of video conferencing technology in the criminal justice system provides an efficient, effective, and yet still fair way to administer justice. In 1997, the first circuit court arraigned 96 percent of its custody defendants by video conferencing technology, which translates into a \$45,000 costs saving per year by the Department of Public Safety.

Your Committees further find that the Edward Byrne Memorial State and Local Law Enforcement Assistance Formula Grant Program (Program), awarded the Judiciary \$212,602 to continue implementation of phase II of the video conferencing project. The Program pledged this sum, as long as the State committed \$70,867 toward the cost of the video conferencing expansion.

Your Committees also find that by appropriating these funds, the Judiciary will be able to:

- (1) Maximize federal funding;
- (2) Provide efficient justice administration; and

- (3) Improve the quality of administrative services.

The Judiciary supported this measure and requested that the proposed funding be separated into two sums over the fiscal biennium.

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

- (1) Splitting the appropriation over the FY 1999-2001 biennium by appropriating \$35,000 in FY 1999-2000 and \$35,867 in FY 2000-2001; and
- (2) Including a carryover and lapsing clause.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1460, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1460, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chang, Hiraki, Yoshinaga and Thielen.

**SCRep. 392      Tourism on H.B. No. 753**

The purpose of this bill is to authorize the counties to create special improvement districts by ordinance to provide and finance supplemental maintenance and security services and other improvements, services, and facilities within the special improvement district as the county council determines will restore or promote business activity in the district.

The Office of Planning, the Office of Waikiki Development of the City and County of Honolulu, and Outrigger Enterprises testified in support of the measure.

Your Committee believes that this measure will help revitalize and restore business activity in those areas designated as special improvement districts by involving businesses and property owners in a given area to pay for and provide certain services that are over and above that which is routinely provided for by the counties.

Your Committee has amended this bill by:

- (1) Giving flexibility to the State and counties to exempt property under the special improvement districts from the assessments as provided in the bill; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 753, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 753, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kaho'ohalahala and Saiki.

**SCRep. 393      Tourism on H.B. No. 136**

The purpose of this bill is to encourage hotel renovation and construction to boost the State's tourism industry by providing a tax incentive for the improvement costs of hotels and hotel-condos.

Under this bill, qualified taxpayers may claim a four percent income tax credit for applicable costs involved in building capital facilities, including the acquisition and development of land, the design and construction of new facilities, and the renovation or making of additions to existing facilities. The income tax credit would only be available for taxable years beginning after December 31, 1999, and end December 31, 2003.

The Department of Business, Economic Development, and Tourism, Hawaii Business Roundtable, and the Hawaii Hotel Association submitted testimony in support of the measure. The Department of Taxation, Outrigger Enterprises, Inc., and the Waikiki Improvement Association submitted testimony in support of the intent of the measure. Comments were received from the Tax Foundation of Hawaii.

Your Committee has amended this bill by:

- (1) Extending the tax credit to associations of apartment owners of a hotel-condo as defined in section 486K-1, Hawaii Revised Statutes;
- (2) Disallowing land acquisition costs from the tax incentive;
- (3) Making the tax credit available for taxable years beginning after December 31, 1998, rather than beginning after December 31, 1999; and

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

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 136, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kaho'ohalahala and Saiki.

**SCRep. 394 Tourism and Economic Development and Business Concerns on H.B. No. 377**

The purpose of this bill is to foster the growth of knowledge-based industries in Hawaii by:

- (1) Requiring tourism market plans to target information industries and be integrated with existing and potential communications and information networks and services;
- (2) Offering a tax incentive through a technology-training or job creation tax credit;
- (3) Establishing the Hawaii Internet Exchange to serve as a catalyst for the development of Internet-focused businesses;
- (4) Providing for high speed access to the Internet for the University of Hawaii and the public schools; and
- (5) Accelerating work force development programs to create a pool of information technology professionals.

The Department of Education and the Democratic Party of Hawaii submitted testimony in support of the measure. The Department of Business, Economic Development, and Tourism and the High Technology Development Corporation submitted testimony in support of the intent of the measure. The Department of Taxation also testified in support of the measure but only as it related to tax incentives for technology.

Your Committees have amended this bill by:

- (1) Providing a tax credit for investing in high technology businesses, to be applicable to taxable years beginning after December 31, 1999, and before January 1, 2003;
- (2) Providing a tax credit for increased expenditures in certain technological and scientific research and development, to be applicable to taxable years beginning after December 31, 1999;
- (3) Modifying the technology-training or job creation tax credit to be a technology-related job creation tax credit, to be applicable to taxable years beginning after December 31, 1998; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development and Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 377, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 377, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kaho'ohalahala, Saiki and Rath.

**SCRep. 395 Labor and Public Employment on H.B. No. 1044**

The purpose of this bill is to authorize medical, hospital, and surgical benefit plans to part-time, temporary, and seasonal or casual employees at the expense of employers after July 1, 2000.

The Department of Budget and Finance submitted testimony in support of this measure. The Department of Education (DOE) supported the measure only if no additional work requirements or costs are attributed to the DOE to implement the bill.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1044, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1044, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 396 Labor and Public Employment on H.B. No. 1163**

The purpose of this bill is to prohibit discriminatory practices in real property transactions and public accommodations on the basis of sexual orientation.

The Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women, the National Employment Lawyers Association, the American Friends Service Committee, the League of Women Voters in Hawaii, and a member of the public supported this measure.

Your Committee finds that currently sexual orientation is prohibited only with regard to employment discrimination. However, your Committee recognizes that a person's ability to secure food, shelter, and other life necessities should also not be limited because of their sexual orientation.

Your Committee further finds that the Hawaii Civil Rights Commission has had to reject complaints alleging sexual orientation discrimination in housing and public accommodations because there is no remedy under state law. This measure extends protection against sexual orientation discrimination to cover state housing and public accommodations laws.

Your Committee has amended this measure 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 Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1163, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1163, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 397 Labor and Public Employment on H.B. No. 522**

The purpose of this bill is to:

- (1) Transfer the administration and supervision of the School-to-Work Opportunities pilot project from the Hawaii School-to-Work Opportunities Executive Council (Executive Council) to the Department of Education (DOE); and
- (2) Make the Executive Council an advisory board to the Board of Education.

DOE and the Executive Council testified that, while they supported the intent of the bill, they also had concerns about the details. The Department of Labor and Industrial Relations testified that they, too, supported the intent of the bill, but disagreed with changing the Executive Council to an advisory body. The University of Hawaii and the Chamber of Commerce of Hawaii submitted comments on the bill.

Your Committee finds that the School-to-Work Opportunities pilot project has provided a needed service to our community by preparing students for productive employment, diversifying their learning, and promoting responsible citizenship. In addition, the program has been vital in partnering businesses with educators for the creation of internships, mentoring ventures, and other opportunities for Hawaii's youth to gain the practical experience that will enable them to become productive members of our labor force.

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

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

Signed by all members of the Committee.

**SCRep. 398 Labor and Public Employment on H.B. No. 944**

The purpose of this measure is to:

- (1) Require successor employers to retain incumbent employees upon the divestiture, sale, or acquisition of a business; and
- (2) Provide successor employers with guidelines for the retention of employees upon the divestiture, sale, or acquisition of a business.

Unity House, Inc., the ILWU Local 142, the Hawaii State AFL-CIO, and members of the public supported this measure. The Department of Labor and Industrial Relations, the Legislative Information Services of Hawaii, the Chamber of Commerce of Hawaii, the Libertarian Party of Hawaii, and Jas. W. Glover, Ltd., opposed this measure.

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

- (1) Adding the definition of "appellate board" as the Labor & Industrial Relations Appeal Board;
- (2) Increasing the number of employees from 20 to 50 persons under the definition of "covered establishment" to be consistent with the Dislocated Workers Act;
- (3) Requiring successor employers to retain incumbent employees for at least one year after the divestiture of a covered establishment;
- (4) Requiring employers to answer a charge filed by the affected employee with the Department of Labor and Industrial Relations within 20 days of receipt;
- (5) Substituting the Director of Labor and Industrial Relations for the Appeal Board of Labor and Industrial Relations as the ultimate judge of chapter violation disputes, to be consistent with the Dislocated Workers Act; and
- (6) Making technical changes for purposes of style, clarity, and consistency.

Your Committee finds that in this economic age of mergers, acquisitions, and consolidations, the concerns and welfare of dislocated workers are not being adequately considered. Dislocated workers often experience unwarranted trauma when the sale, acquisition, or divestiture of a business occurs. Although there have been successor employers who transitioned smoothly and retained incumbent employees, many successor employers cause severe community disruption. Examples include:

- (1) One hundred twenty-six workers who were given no prior notice or future assurances before being terminated by the Airport Holiday Inn on New Year's Eve 1986; and
- (2) The Westin Kauai after Hurricane Iniki when 900 employees were left in limbo as the hotel went through a temporary shutdown, then changed ownership interests twice.

Your Committee does not intend to constrict or hinder business interests, but finds that it is in the State's interest to provide:

- (1) Stable employment to its residents;
- (2) Uninterrupted and efficient service for its visitors; and
- (3) A healthy consumer base for its business.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 944, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 944, H.D. 1, and be referred to the Committee on Economic Development and Business Concerns.

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

**SCRep. 399 Labor and Public Employment on H.B. No. 266**

The purpose of this bill is to:

- (1) Require the State Commission on the Status of Women to accumulate, compile, and publish information about instances of discrimination involving breastfeeding or expressing breastmilk in the workplace; and
- (2) Prohibit employers or labor organizations to refuse to hire, discharge, or withhold pay, demote or penalize a lactating woman who breastfeeds or extracts expressed breastmilk in the workplace.

The Department of Health, Healthy Mothers Healthy Babies Coalition of Hawaii, and members of the public supported this measure.

Your Committee finds that breastfeeding is a natural function that provides perfect food for infants. The advantages of breastfeeding are indisputable and include nutritional, immunological, and psychological benefits for both infant and mother. In Hawaii, a high percentage of women attempt to breastfeed their infants in the hospital, but by their six-week postpartum check, the rate quickly declines. Your Committee finds that this decline is caused in part by mothers returning to the workforce soon after delivery because of Hawaii's high cost of living and employers' lack of support for breastfeeding. This measure addresses this problem by promoting the practice of breastfeeding in the workplace via statutory recognition that it is a discriminatory practice to penalize a breastfeeding employee.

Your Committee has amended this bill by 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 is in accord with the intent and purpose of H.B. No. 266, as amended herein, and recommends that it pass

Second Reading in the form attached hereto as H.B. No. 266, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 400 Health on H.B. No. 1144**

The purpose of this measure is to authorize the Department of Health to approve the curricula and syllabi of training courses for various levels and types of medical care provided by all emergency response agencies.

The Department of Health testified in strong support of this proposal.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1144 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 401 Health on H.B. No. 1146**

The purpose of this measure is to continue the funding improvements of the vital statistics system and prevention of domestic violence and sexual assault by repealing the sunset provision in section 13, Act 216, Session Laws of Hawaii 1997.

The Department of Health, the Hawaii State Commission on the Status of Women, and the Violence Prevention Consortium testified in support of the proposal.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1146 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 402 Health and Economic Development and Business Concerns on H.B. No. 1209**

The purpose of this measure is to provide an income tax incentive for employers as an integral element to Hawaii's future economic development. A key element in a quality workforce is the availability of health care benefits for employees. As such, this measure encourages employers to offer prepaid health care benefits to employees that are otherwise not entitled to mandatory coverage required under current law.

The Department of Taxation submitted testimony in support of the measure.

As affirmed by the records of votes of the members of your Committees on Health and Economic Development and Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1209 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ahu Isa, Chang, Saiki, Stegmaier, McDermott and Rath.

**SCRep. 403 Human Services and Housing on H.B. No. 401**

The purpose of this bill is to increase the self-reliance of homeless individuals by appropriating funds for homeless shelters and homeless services, including per person stipends paid to homeless shelters.

The Democratic Party of Hawaii, the Affordable Housing and Homeless Alliance, the Institute for Human Services, the Health Care for the Homeless Project, and Homeless Solutions submitted testimony in support of this measure. The Housing and Community Development Corporation of Hawaii submitted testimony in support of intent of this bill, but could not support the appropriation since it is not consistent with the State's Executive Budget request.

Your Committee finds that due to administrative cuts, funding for the homeless has decreased while the demands for programs and services to assist this population has increased beyond the existing capacity. Increased funding for homeless shelters and services are sorely needed.

Your Committee has amended this measure by:

- (1) Replacing the appropriation with \$1 for purposes of further discussion; and

- (2) Noting in the purpose and findings section the current numbers of homeless persons as well as statistics of families and individuals with mental illnesses.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 401, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 401, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 404 Human Services and Housing and Education on H.B. No. 563**

The purpose of this bill is to assist low-income preschool children prepare for the public school system by appropriating funds to purchase a modular facility to provide Head Start services to families residing in the Keaau, Kurtistown, and Mt. View areas on the Big Island.

The Hawaii County Economic Opportunity Council and many individuals submitted testimony in support of this measure. The Office of Community Services submitted testimony in support of the intent of this measure.

Your Committees find that the closure of the Head Start center in Kurtistown at the Jodo Mission due to the discovery of high levels of lead in the building, has negatively impacted those parents whose children are eligible to attend school there. While operational funds are available from the federal Head Start program to implement a local program, funding is still needed for a facility. An appropriation of \$270,000 would be used to purchase a modular facility, which would house four Head Start classrooms, and serve approximately eighty families per year.

Your Committees have amended this measure by:

- (1) Replacing the appropriation with \$1 for purposes of further discussion;
- (2) Adding a findings and purpose section; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 563, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 563, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Morihara, McDermott and Pendleton.

**SCRep. 405 Human Services and Housing and Health on H.B. No. 1641**

The purpose of this bill is to appropriate funds to the Department of Health (DOH) and the Department of Human Services (DHS) to support primary medical care for underserved members of the community.

The Health Care For The Homeless Project, Papa Ola Lokahi, the Waianae Coast Comprehensive Health Center, the Office of Hawaiian Affairs, Healthy Mothers Healthy Babies Coalition, and Hawaii State Primary Care Association submitted testimony in support of this measure.

DHS supported the intent of the measure but requested that any additional funding not replace the Executive Budget request. The DOH also supported the intent of this bill, but deferred to DHS.

Your Committees have amended this measure by:

- (1) Amending the appropriation amount to \$1, for discussion purposes;
- (2) Eliminating the DOH appropriation and designating the DHS as the sole expending agency for the appropriation; 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 Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1641, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1641, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Kahikina.

**SCRep. 406 Energy and Environmental Protection on H.B. No. 938**

The purpose of this bill is to support efforts to ensure a beautiful and clean Hawaii by appropriating funds to implement a statewide litter control campaign.

The following testified in support of this measure: two Maui Council members; two employees of the Community Work Day Program; Maui Economic Opportunity, Inc.; Keep Hawaii Beautiful (Big Island affiliate); and two individuals. The Department of Health supported the intent of this bill, provided that it doesn't adversely impact on priorities indicated in the executive biennium budget request.

Until 1995, the State Litter Control Office coordinated a statewide voluntary program to control litter. With the cooperation of the Committee on Litter Control, various agencies, community organizations, and individuals, this partnership involved 32,000 volunteers annually and achieved approximately \$2,500,000 in benefits each year. Since the office was abolished, private nonprofit organizations have continued the campaign against litter.

Your Committee has amended this measure by:

- (1) Reducing the appropriation to \$1 for continued discussion; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

According to the testimony, the first year, start-up cost of the statewide litter control campaign is \$300,000. Thereafter, \$90,000 would be needed to run the campaign each year. State funding can go a long way to help the community. The Community Work Day Program estimated that it can leverage a 6-to-1 match in outside contributions for public funds expended.

Finally, your Committee notes that the Community Work Day Program has submitted a grant-in-aid application. Accordingly, this bill serves to demonstrate continued legislative support for the activities of the Program.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 938, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 938, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kanoho.

**SCRep. 407 Water and Land Use on H.B. No. 77**

The purpose of this bill is to resolve discrepancy issues by including industrial property to the types covered by the structure position discrepancy law and provides for responsibility for encroachment in cases where the party originally responsible for the improvement is not known.

Your Committee received testimony as follows:

1. Real Estate Update Inc., Hawaii Association of Realtors, Title Guaranty of Hawaii, one private citizen, in support; and
2. Hawaiian Electric Company, in opposition.

Your Committee finds that this bill helps to address a very contentious issue, but that other concerns remain for the Committee on Judiciary and Hawaiian Affairs to resolve, such as how the bill would apply to encroachment on easements.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 77 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 408 Water and Land Use on H.B. No. 367**

The purpose of this bill is to encourage water conservation by establishing an income tax credit for water conservation equipment.

Your Committee received testimony as follows:

1. Maui County Council, Maui County Department of Water Supply, Central Maui Soil and Water Conservation District, Maui County Farm Bureau, Ulupalakua Ranch, Hawaii Farm Bureau Federation, in support;
2. Department of Taxation, Tax Foundation of Hawaii, in opposition; and
3. Commission on Water Resource Management, County of Kauai Department of Water, and two University of Hawaii professors, offering comment.



Your Committee finds that water is one of Hawaii's most precious resources and that increased water storage would be in greater accord with the intent of the bill, to reduce the threat of drought in vulnerable agricultural areas.

Your Committee revised the bill by:

1. Removing the provisions for a water conservation credit;
2. Providing for an agricultural water storage credit against income tax liability, for an unspecified percentage of the cost of the improvement, not to exceed 50 percent of the taxpayer's liability, which may be carried forward ten years;
3. Requiring that the improvement be certified by the county water department as necessary for drought mitigation; 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 Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 367, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 367, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 409 Water and Land Use on H.B. No. 1016**

The purpose of this bill is to authorize the Barbers Point Naval Air Station Redevelopment Commission to provide utility services for property conveyed by the Navy to federal, state, and county agencies under base realignment and closure, to recoup the costs of these services from the end users, and allow the Commission to establish advisory committees.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism Office of Planning, and the Department of Hawaiian Home Lands.

Your Committee finds that the imminent turnover of the Barbers Point Naval Air Station from the federal government requires that the BPNAS Redevelopment Commission be fully prepared to handle the transition to civilian use with a minimum of delay.

Your Committee revised the bill by:

1. Providing for the appointment of the county director of parks and recreation and three additional county department directors designated by the mayor to the commission; and
2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1016, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 410 Water and Land Use on H.B. No. 1021**

The purpose of this bill is to clarify that projects created as condominium property regimes are subject to county zoning and other county building and development ordinances and rules.

Your Committee received testimony as follows:

1. Department of Business, Economic Development, and Tourism Office of Planning, City and County of Honolulu Department of Planning and Permitting, County of Hawaii Planning Department, in support; and
2. Land Use Research Foundation, the Gentry Companies, one private citizen, offering comment.

Your Committee finds that, in the past, many people used the condominium property regime to establish residential uses on agricultural land, circumventing state land use planning and county zoning. Not all condominium projects are subject to county review, but for those that are, the review occurs late in the process. In addition, condominium projects are not subject to county subdivision ordinances and their impacts on resources and infrastructure cannot be determined beforehand.

Although the above concerns need to be addressed, other concerns were raised about mixing land use provisions in the condominium property regime law, and that the Committee on Consumer Protection and Commerce may wish to consider this in their deliberations on this bill.

Your Committee revised the bill by:

1. Giving counties authority over the physical development of condominium projects;
2. Providing for applicability of the bill to condominium projects and amendments; 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 Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1021, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 411 Water and Land Use on H.B. No. 1025**

The purpose of this bill is to create a Kakaako high technology zone.

Your Committee received testimony as follows:

1. Department of Taxation, Department of Business, Economic Development, and Tourism, Hawaii Community Development Authority, in support;
2. Tax Foundation of Hawaii, in opposition; and
3. Estate of James Campbell, offering comment.

Your Committee finds that the high technology industry offers tremendous opportunities for job creation and synergy with existing information infrastructure. Establishment of a high technology park in Kakaako with appropriate incentives would help Hawaii to capitalize on this burgeoning sector, but the Committee on Finance might also consider offering the same incentives to existing high tech parks and other similar projects, in order to address the issue of equity. In addition, the definition of the term "high technology" may need clarification, in order to ensure that the incentives are given in a manner that truly fulfills the intent of the legislature.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1025 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 412 Water and Land Use on H.B. No. 1030**

The purpose of this bill is to continue to give responsibility for review and approval of special management area and shoreline setback permits to the Office of Planning of the Department of Business, Economic Development, and Tourism.

Your Committee received testimony in support of this bill from the Hawaii Community Development Authority and comments on the bill from the Office of Planning of the Department of Business, Economic Development, and Tourism.

Your Committee finds that the majority of the Kakaako waterfront is owned by the state and has great potential for recreational, educational, commercial and other uses, and that the Office of Planning has already played a significant role in the development of the Kakaako waterfront.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1030 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 413 Water and Land Use on H.B. No. 1172**

The purpose of this bill is to provide for more efficient operation by the Bureau of Conveyances by replacing the Bureau of Conveyances Equipment modernization special fund with the bureau special fund, provide for deposit of a portion of recordation fees into the general fund, and the remainder of recordation fees and other fees into the special fund, and authorize the bureau to pay for personnel, equipment and improvements necessary for modernization of the recording system.

Your Committee received testimony in support of this bill from the Board of Land and Natural Resources.

Your Committee finds that an income stream from existing fees will give the Bureau of Conveyances a greater level of self-sufficiency and will enable the funding of needed modernization of the land recordation system.

Your Committee revised the bill by:

1. Adding provisions for the bureau to change the fees charged for microfilm duplication and removing reference to deposit into the general fund; and
2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1172, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1172, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 414 Water and Land Use on H.B. No. 1184**

The purpose of this bill is to improve land management by authorizing the deposit of fees, fines, and other administrative charges collected under chapter 171, into the Special Land and Development Fund and by restoring legislative oversight to the uses of the fund.

Your Committee received testimony in support of this bill from the Board of Land and Natural Resources.

Your Committee finds that deposit of fees, fines, and other administrative charges collected under chapter 171, into the Special Land and Development Fund will allow for greater degree of fiscal self-sufficiency by the department's land management operations. In addition, when passing Act 106, Session Laws of Hawaii 1997, an inadvertent change was made which restricted the legislature's oversight of the uses of the fund.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1184 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 415 Water and Land Use on H.B. No. 1186**

The purpose of this bill is to update and clarify the penalty provisions relating to wildlife management.

Your Committee received testimony in support of this bill from the Board of Land and Natural Resources, Hawaii Hunters Advisory Council and Hawaii Hunting Association.

Your Committee finds that increasing the minimum fines for wildlife code violations and reinstating provisions unintentionally removed three years ago will encourage responsible hunting.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1186 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 416 Water and Land Use on H.B. No. 1188**

The purpose of this bill is to correct erroneous or outdated references in the State Water Code.

Your Committee received testimony in support of this bill from the Board of Land and Natural Resources and the Land Use Research Foundation.

Your Committee finds that the bill makes corrections that will conform the law to the mandate giving the Water Resource Management Commission exclusive jurisdiction over the State Water Code, and amending other inconsistencies.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1188 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 417 Water and Land Use on H.B. No. 1378**

The purpose of this bill is to provide that use of historic properties shall conform to county zoning requirements.

Your Committee received testimony as follows:

1. Gamrex Inc., Kahaluu Neighbors Against the Laakea Wedding Chapel, Life of the Land, 17 individuals, in support;
2. County of Hawaii Planning Department, Bayer Estate, Tom Heinrich Attorney at Law, two members of the City Council of the City and County of Honolulu, two individuals, in opposition; and
3. Board of Land and Natural Resources, offering comment.

Your Committee finds that the operation of private wedding chapels in residential areas can generate noise and traffic, severely affecting the quality of life for the nearby community. These private wedding sites, however, do not necessarily operate under the aegis of historic preservation laws. In addition, the counties already possess the authority to restrict uses of these operations, whether they are on historic sites or not.

Your Committee revised the bill by:

1. Providing that counties may approve uses of historic properties that comply with applicable zoning requirements; and
2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1378, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1378, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Meyer.  
(Representative Thielen voted no.)

**SCRep. 418 Water and Land Use on H.B. No. 1403**

The purpose of this bill is to establish hunting advisory council chapters on each island.

Your Committee received testimony in support of this bill from the Board of Land and Natural Resources, Hawaii Rifle Association, Hawaii Citizens' Rights PAC, Hawaii Hunters Advisory Council, Wildlife Conservation Association of Hawaii, Hawaii Hunting Association, Pig Hunters of Hawaii, and three individuals.

Your Committee finds that a statewide hunting advisory council with island chapters will facilitate communication between the Department of Land and Natural Resources and the hunting community. The department has already participated in meetings and provided funding for a hunting advisory council pursuant to House Concurrent Resolution No. 259 of 1997 and the bill will give statutory recognition.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1403 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 419 Agriculture on H.B. No. 1629**

The purpose of this bill is to:

- (1) Increase the limit on the Pesticides Revolving Fund (Fund) to \$600,000; and
- (2) Expand the uses of the Fund to include agricultural and household purposes.

Testimony in support of the bill was received from the Hawaii Farm Bureau Federation, the Hawaii Agriculture Research Center, and the Pineapple Growers Association of Hawaii. The Hawaii Tropical Flower Council testified in support of the proposed intent of the bill. The Department of Agriculture (DOA) supported the bill with amendments.

The Hawaii Pest Control Association and RESCUE Hawaii testified in opposition to the bill.

Your Committee finds that DOA should be provided with sufficient resources to administer and sufficient flexibility to evaluate alternatives to pesticides in situations where pesticides are not the desirable pest control method for integrated pest management systems.

Your Committee has amended the bill by:

- (1) Clarifying that use of the Fund is being expanded to enable funding of integrated pest management strategies;

- (2) Clarifying that moneys from the Fund may also be used for personnel and services;
- (3) Removing the limit on the Fund so that section 149A-13.5, Hawaii Revised Statutes, does not have to be amended each time DOA wants an increase or decrease in the fund ceiling; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1629, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1629, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Herkes, Kaho'ohalahala, Morihara, Rath and Whalen.

**SCRep. 420      Agriculture on H.B. No. 1381**

The purpose of this bill, as referred to your Committee, is to provide State funds to support the marketing development of certified organic food products in Hawaii.

Your Committee finds that the Hawaii organic commodity is a growing and promising industry that needs public awareness and exposure on procedures and benefits of organic certified products. Your Committee further finds that the development of markets for this emerging and high growth industry will greatly assist the development of a strong and viable organic agriculture industry in the State.

This bill appropriates funds to the Department of Agriculture for fiscal year 1999-2000 for market development of Hawaii-grown certified organic products and to stimulate the State's economy through the production and sale of certified organic products.

Your Committee has amended this bill by changing the sum on page 1, line 19, from "\$100,000" to "\$1." Your Committee further amended this bill by deleting on page 2, lines 1 to 3, "and the same sum, or so much thereof as may be necessary for fiscal year 2000-2001."

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1381, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1381, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Herkes, Kaho'ohalahala, Morihara, Rath and Whalen.

**SCRep. 421      Agriculture on H.B. No. 1630**

The purpose of this bill is to appropriate funds to the Department of Agriculture (DOA) for a full-time equivalent noxious weed specialist position, including other current expenses and equipment.

The Hawaii Farm Bureau Federation and Garst submitted testimony in support of the measure. DOA testified in opposition to this measure.

Your Committee notes that the noxious weed specialist's primary responsibility will be seed certification inspections year-round for corn seed companies in the State. This position will be used to serve the certification needs of the growing seed industry in the State, which has grown from less than 1,000 acres to more than 3,000 acres in the last decade. Your Committee further notes DOA is the only agency in the State that can perform these certifications, with final certification obtained on the U.S. Mainland. It is your Committee's understanding that it is only because other states require certification of seed imported into their jurisdictions that such certification requirements are necessary in Hawaii. It is the intent of your Committee that the subsequent House committee, the Committee on Finance, receive verification and clarification of this requirement by other jurisdictions, in determining whether seed certification is an appropriate function of the State.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1630 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Herkes, Kaho'ohalahala, Morihara, Rath and Whalen.

**SCRep. 422      Agriculture on H.B. No. 801**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist CEATECH USA in:

- (1) Planning and building a processing plant for shrimp; and

- (2) Expanding its shrimp farm facilities;

on the island of Kauai.

Your Committee notes that CEATECH USA is building a state-of-the-art shrimp production facility located in Kekaha, Kauai. Your Committee further notes that CEATECH USA has the potential of becoming the largest domestic shrimp producer in the United States and generating significant employment opportunities in the State.

The Office of Economic Development of the County of Kauai, CEATECH USA, BOC Gases/Gaspro, and the Hawaii Aquaculture Association submitted testimony in support of the bill. The Department of Agriculture submitted testimony in support of the intent of the bill. The Department of Budget and Finance (B&F) submitted comments on the measure and offered technical comments, stating that:

Article VII, Section 12, of the State Constitution provides that the legislature may enact, in separate legislative bills, general law which authorizes the issuance of special purpose revenue bonds for each single product or multi-project program of each special purpose entity. The State's Bond counsel construes the Constitution to mean a multi-project program must be for the same special purpose entity.

Accordingly, your Committee has amended this bill by:

- (1) Deleting provisions of the bill that provide for the issuance of special purpose revenue bonds to assist CEATECH USA in expanding its shrimp farm facilities;
- (2) Decreasing the amount of the special purpose revenue bond issuance from \$5,000,000 to \$3,000,000, to assist CEATECH USA in planning and building a processing plant for shrimp; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 801, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Herkes, Kaho'ohalahala, Morihara, Rath and Whalen.

#### **SCRep. 423 Energy and Environmental Protection on H.B. No. 1350**

The purpose of this bill is to promote the use of recycled products by state and county procurement agencies by requiring procurement officers to purchase lubricating and industrial oil from a seller whose oil contains the greatest percentage of recycled oil.

The following testified in support of this measure: the Department of Business, Economic Development, and Tourism (DBEDT), the Hawaii Automotive Repair and Gasoline Dealers Association, Na Leo Pohai, Pacific Island Petroleum, Inc., Hon/Hawaii, Cool As New Hawaii Inc., and Environmental Services, Inc.

Your Committee finds that federal procurement laws already require the use of recycled oil by federal agencies and contractors who are awarded federal contracts.

Passage of this bill will help to create a large market for rerefined diesel. According to DBEDT, a Honolulu-based company is considering rerefining used oil into higher value diesel oil that meets all state and federal laws. The local product would have 100 percent recycled content and would benefit from the "Made in Hawaii" procurement law.

Just as importantly, the rerefining of oil represents a clean industry. The waste product from oil rerefining can be used as an asphalt component, and the waste gas produced can be looped back to the furnace to provide a free heat source.

Your Committee has amended this bill by:

- (1) Clarifying that an oil product containing a lower percentage of recycled oil may be purchased if the oil product containing recycled oil is likely to breach a warranty that prohibits the use of products containing recycled oil as it relates to equipment; and
- (2) 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 is in accord with the intent and purpose of H.B. No. 1350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1350, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Kanohe.

**SCRep. 424 Education on H.B. No. 316**

The purpose of this bill is to promote arts education by authorizing expenditures from the Works of Art Special Fund to be used for art education, including strengthening arts curricula.

While noting that it has been a strong advocate for the need of arts education in the public schools, the State Foundation on Culture and the Arts (SFCA) testified that revenues to the Works of Art Special Fund (Fund) are derived from general obligation bonds, and that using the Fund to strengthen arts curricula in the public schools is not allowed by bond covenants.

In its written testimony, the Department of Education (DOE) concurred with the intent of the bill. In supplementary oral comments, DOE testified that the Hawaii content and performance standards in all areas, including the arts, should be refined. The DOE also testified that a plan to achieve those standards also should be developed.

Testifying in support of the bill, Calabash Hawaii, a nonprofit arts education organization expressed that it was encouraged by the Legislature's recognition of the need to have content and performance standards for the arts. Calabash Hawaii recommended the consideration of providing the SFCA with the necessary funds to complete the content and performance standards for the arts.

Also in support of the measure, the Hawaii Alliance for Arts Education, another nonprofit agency, endorsed the review, revision, and implementation of the Hawaii content and performance standards for the arts. It also supported the development of a statewide plan for grades K-12 arts education to be accomplished by the SFCA in consultation with various public and private agencies.

In consideration of the testimony presented, your Committee would like to redirect the bill, while maintaining its emphasis on arts education.

Accordingly, your Committee has amended the bill by deleting its contents and replacing it with material that:

- (1) Requires the SFCA, in consultation with the DOE and other relevant public and private agencies, to review, revise, and complete the Hawaii content and performance standards in the arts for grades K-12;
- (2) Requires the SFCA, in consultation with DOE and other relevant public and private agencies, to develop a statewide strategic plan for grades K-12 arts education that incorporates the Hawaii content and performance standards in the arts;
- (3) Requires the SFCA to submit annual reports for six years to the Legislature on these efforts; and
- (4) Appropriates \$150,000 for each year of the fiscal biennium 1999-2001 to the SFCA for these activities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 316, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 316, H.D. 1.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 425 Education on H.B. No. 323**

The purpose of this bill is to require the Department of Education to define what it means for a student to "attend either a public or private school", with respect to students who attend sectarian and nonsectarian private schools, for the purposes of determining the student's compliance with the compulsory attendance law.

Specifically, this bill:

- (1) Requires sectarian private schools to be licensed, supervised, certified, and otherwise regulated by the ecclesiastical authority for that religion or sect, by a nationally recognized accrediting agency recognized by the ecclesiastical authority for that religion or sect, by the Hawaii Association of Independent Schools, or by a nationally recognized accrediting agency recognized by the United States Secretary of Education; and
- (2) Requires nonsectarian private schools to be licensed, supervised, certified, or otherwise regulated by the Hawaii Association of Independent Schools or by a nationally recognized accrediting agency recognized by the United States Secretary of Education.

Your Committee received testimony in support of this bill from the Hawaii Catholic Conference, Hawaii Catholic Schools, and the parents of a seven-year-old child attending Holy Trinity School. Your Committee received comments from the Department of Education confirming that there is a need to clarify what it means for a student to be in attendance in either a public or private school, and indicating a willingness to pursue this matter through rulemaking.

Your Committee finds that this bill recognizes the State's legitimate interest in ensuring that the compulsory education law (section 302A-1132, Hawaii Revised Statutes) is enforced, and is consistent with the intent of this Legislature and previous legislatures to leave the regulation of private schools largely--if not entirely--to the private sector.

Your Committee declares that it is not the intent of this bill to authorize the Department of Education to license, supervise, certify, and otherwise regulate private schools, or to perform any regulatory functions currently being performed by the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 323 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 426      Education on H.B. No. 1747**

The purpose of this bill is to provide emergency funding for the construction of Kapolei High School.

Your Committee finds that this bill is of the highest priority for the education of students in the Kapolei area. A new high school is desperately needed for Kapolei students because Campbell High School, which presently serves students in the area, is overcrowded and cannot accommodate the expected student population in the year 2000. In order to provide a new high school by that date, construction must begin immediately.

This bill transfers \$1,000,000 appropriated to Iao Intermediate School to Kapolei High School. Since the Iao Intermediate School project is delayed, a temporary shifting of funds will not affect the progress of that project.

Your Committee received favorable testimony from the Department of Education, a legislator, the Campbell Estate and a local business person.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1747 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 427      Education on H.B. No. 1619**

The purpose of this Act is to appropriate funds to establish seven teacher positions in the central district of the Department of Education for the Comprehensive School Alienation Program.

Furthermore, this measure requires these funds to be appropriated and allotted to the Department and expended by the Wahiawa Community School for Adults.

Your Committee finds that the program is experiencing an increasing need to provide services for family, peer, drug, mental health problems, as well as academics. Losing personnel at a time when more students are experiencing problems or are in crisis situations will be disastrous. The risks of students terminating their education without graduating will dramatically increase.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1619 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 428      Education on H.B. No. 524**

The purpose of this bill is to appropriate funds to increase the number of college/career counselors in public secondary schools.

Specifically, this bill appropriates enough funding to allow each public secondary school to have at least one college/career counselor and to reduce the student-to-counselor ratio to 300:1, a standard recommended by the American School Counselor Association.

Your Committee finds that the current student-to-counselor ratio in the public schools is 377:1. Lowering the ratio to the optimal 300:1 is essential for the Department of Education to meet the growing needs of children and families, and to further address the mandated obligations placed on school counselors.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 524, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 524, H.D. 1, and be referred to the Committee on Finance.



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

**SCRep. 429 Education on H.B. No. 1088**

The purpose of this bill is to permit the Board of Education (BOE) to determine the starting age for children entering kindergarten and the first grade.

BOE testified in strong support of the bill. Comments on the proposed bill were received from the Good Beginnings Alliance.

Your Committee finds that educational research has shown that children who start school at an earlier age than their peers may be at a significant disadvantage depending on their school entry date. In addition, a 1998 survey conducted by the Department of Education revealed that a large majority of kindergarten teachers and their principals support a change in the cutoff date for kindergarten entry, citing the lack of maturity or readiness for school of late-born children as the rationale.

Your Committee also finds that if the BOE is given the ability to move the cutoff date forward for kindergarten and first grade students, the potential benefit to late-born children outweighs the cost to their parents as studies show that delayed kindergarten entry can be significant benefit to late-born children throughout their entire educational careers.

Your Committee has amended the bill by:

- (1) Providing that the BOE shall plan and develop rules for the starting age of children entering kindergarten and the first grade;
- (2) Providing that the BOE shall develop the new rules by June 30, 2000, and may implement them beginning in the 2000-2001 school year;
- (3) Providing that the BOE shall submit a report to the legislature and the governor no later than 20 days prior to the convening of the regular session of 2001; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1088, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1088, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 430 Education on H.B. No. 1290**

The purpose of this bill is to appropriate funds for off-ratio funding for the total Hawaiian language immersion program in West Maui.

The Hawaiian language immersion program is a successful integration of public school education and the Hawaiian language. The program is in its thirteenth year; students who started in the first kindergarten class at the two seminal sites on O'ahu and the Big Island will graduate from the Hawaiian immersion high schools this year. The Hawaiian immersion program on Maui, which begins in the private Punana Leo o Maui preschool, continues up to the ninth grade at the Hawaiian immersion public school site in Pa'ia.

This year the Punana Leo o Lahaina opened, to provide Hawaiian immersion education for the children of West Maui. When these children graduate, they will seek a Hawaiian immersion public school. However, the Pa'ia location is an hour and a half away, which is too far for small children to travel on a daily basis, even if there were school or public bus transportation from the Lahaina area to Pa'ia. There is a clear need for Hawaiian immersion classes in West Maui.

Your Committee finds that the Hawaiian language immersion community in West Maui is extremely supportive of creating public school Hawaiian immersion classrooms in West Maui to join sixteen other Department of Education Hawaiian immersion sites across the State. Your Committee further finds that there is a class that will graduate this year from Punana Leo o Lahaina that wants to attend a Hawaiian immersion kindergarten but that is unable to travel to the Pa'ia site. Your Committee further finds that the Hawaiian immersion schools are open to all students, regardless of ethnic background.

Testimony was received on H.B. No. 1290 from the Office of Hawaiian Affairs, the Native Hawaiian Education Council, Punana Leo o Lahaina, and five individuals.

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

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 431 Education and Higher Education on H.B. No. 526**

The purpose of this bill is to appropriate \$140,750, to the University of Hawaii, for each fiscal year of the 1999-2001 biennium, for the operation of the Hawaii Institute for Educational Partnerships.

Your Committees received testimony in support of this bill from the Hawaii Institute for Educational Partnerships.

Your Committees find that a center for teacher education was established within the University of Hawaii on July 1, 1998, pursuant to section 304-20.5, Hawaii Revised Statutes (formerly section 30 of Act 272, Session Laws of Hawaii 1994), to create a link between the public schools and university teacher education programs to ensure that teacher education is focused on the needs of the diverse student populations found within the public school system.

To date the operating costs of the Hawaii Institute for Educational Partnerships have been paid with contributions from the budgets of the University of Hawaii College of Education and the Department of Education. Because of ongoing budget restrictions, however, it is no longer possible for the University of Hawaii and the Department of Education to pay for the operating costs of the institute from their budgets.

As affirmed by the record of votes of the members of your Committees on Education and Higher Education that is attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 526 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 432      Public Safety and Military Affairs and Judiciary and Hawaiian Affairs on H.B. No. 1492**

The purpose of this bill is to clarify the definition of contraband as used for the offense of promoting prison contraband in the second degree.

The Department of Public Safety and the Department of the Prosecuting Attorney for the City and County of Honolulu testified in support of the measure.

Your Committees find that currently there are two separate laws covering the offense of promoting prison contraband. Section 710-1022, Hawaii Revised Statutes (HRS), describes the more serious offense of promoting prison contraband in the first degree that occurs when a person conveys a dangerous instrument or drug to a person confined in a correctional facility or where an inmate possesses the same.

The second and lesser offense outlined in section 710-1023, HRS, promoting contraband in the second degree occurs when a person conveys contraband in any form to a person confined in a correctional facility or where an inmate possesses contraband in any form.

Your Committees further find that the term "contraband" as used in section 710-1023, HRS, includes any article or thing which the inmate is prohibited by law to possess. By definition, this would include dangerous instruments or drugs which are already prohibited in section 710-1022, HRS. As a result the prohibitions in section 710-1023 and section 710-1022 overlap.

Under a current Hawaii Supreme Court ruling, if two degrees of an offense overlap, the offender must be charged with the lesser offense. As a result, section 710-1022, HRS, which carries the higher class B felony penalty, is currently ineffectual and cannot be utilized by prosecutors.

Your Committees find that this measure clarifies the ambiguity in the law and give effect to the original legislative intent of these two provisions.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1492 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 Chang, Hiraki, Yoshinaga and Thielen.

**SCRep. 433      Public Safety and Military Affairs on H.R. No. 26**

The purpose of this resolution is to support and request the approval by the U.S. Congress of the Ford Island development project. This project is a public/private funded venture that would provide family housing units, operational facilities, bachelor quarters, a conference center, and other cultural and visitor attractions.

Testimony was received from the Hawaii Business Roundtable and the Chamber of Commerce of Hawaii in support of this measure.

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

Signed by all members of the Committee except Representative Chang.

**SCRep. 434      Public Safety and Military Affairs on H.C.R. No. 45**

The purpose of this concurrent resolution is to support and request the approval by the U.S. Congress of the Ford Island development project. This project is a public/private funded venture that would provide family housing units, operational facilities, bachelor quarters, a conference center, and other cultural and visitor attractions.

Testimony was received from the Hawaii Business Roundtable and the Chamber of Commerce of Hawaii in support of this measure.

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. 45, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

**SCRep. 435      Consumer Protection and Commerce on H.B. No. 172**

The purpose of this bill is to encourage the use of hospice care and to ensure consistent, high-quality hospice care.

Specifically, this bill authorizes the Department of Health to license hospice service agencies, including hospice homes that provide twenty-four-hour living accommodations to no more than five unrelated persons admitted to a hospice program of care, which provides palliative and supportive care for terminally ill persons and their families or caregivers. The bill also defines "hospice", "hospice home", "hospice services", and "hospice service agency". Finally, the bill permits hospice homes in residential areas for purposes of zoning.

Your Committee received testimony in support of this bill from the Executive Office on Aging, the Hawaii Catholic Conference, the Healthcare Association of Hawaii, Hospice Hawaii, Hospice of Hilo, Hospice Maui, North Hawaii Hospice, Inc., St. Francis Hospice, Kauai Hospice, and the Department of Health.

Your Committee believes that this bill will encourage wider use of hospice care, which will increase patient satisfaction as well as save money over hospital or other forms of acute care at the end of life.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 172, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Herkes, Hiraki, Yoshinaga and Rath.  
(Representative Whalen voted no.)

**SCRep. 436      Consumer Protection and Commerce on H.B. No. 350**

The purpose of this bill is to resolve an ambiguity in section 237-29.7, Hawaii Revised Statutes (HRS), by expressly exempting from the application of the general excise tax law, the income from the business of an attorney-in-fact on behalf of a reciprocal insurer.

Testimony supporting this measure was received from the Department of Commerce and Consumer Affairs (DCCA), the Hawaii Captive Insurance Council, and the Medical Insurance Exchange of California. The Department of Taxation submitted testimony in opposition to this bill.

DCCA testified that under State law, insurance companies must be formed either as an incorporated stock insurer, an incorporated mutual insurer, or a reciprocal insurer (reciprocal). The reciprocal differs from other insurers because the law requires that it conduct its business through an attorney-in-fact (attorney). The reciprocal accordingly does not have employees, but rather, reimburses its attorney for the cost of operating the insurance company. DCCA stated that like other insurers, reciprocals pay premium taxes, but unlike other insurers, the reciprocal is potentially subject to the general excise tax because it is not clear whether the general excise tax exemption for "insurance companies" in section 237-29.7, HRS, includes the business conducted by an attorney on behalf of a reciprocal. DCCA testified that if reciprocals were found to be subject to the general excise tax, this would place them at a competitive disadvantage in the State's insurance marketplace and might adversely affect existing businesses, as well as discourage future job creation. DCCA pointed out that this would be contrary to the purpose of newly enacted amendments to the captive insurance law, which were intended to allow and encourage formation of captive insurance companies as reciprocals in the State.

Upon further consideration, your Committee concurs with those supporting the measure. Your Committee has also made technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 350, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga, Halford, Rath and Thielen.

**SCRep. 437 Consumer Protection and Commerce on H.B. No. 460**

The purpose of this bill is to protect the public through the regulation of businesses that cash checks for a fee. As received by your Committee, this bill:

- (1) Requires check cashing companies to register with the Department of Commerce and Consumer Affairs (DCCA), pay application and renewal fees, and provide DCCA with information including the fees charged consumers;
- (2) Mandates that check cashing companies provide customers with posted and written notice of check cashing fees, and obtain the customer's written acknowledgment that notice of fees was provided;
- (3) Prohibits specified practices by check cashing companies, including the charging of fees in excess of specified percentages and amounts;
- (4) Establishes criminal, civil, and administrative penalties for violation of the measure and rules adopted thereunder by DCCA, and civil liability of check cashing companies to consumers in the amount of three times actual damages, or \$250, whichever is greater.

DCCA and the American Association of Retired Persons (AARP), submitted testimony in support of the bill, suggesting amendments. Thomas Cook, a vendor of travel-related services, proposed an amendment to the bill. Your Committee also received testimony from Kamaaina Loan opposing this measure.

DCCA testified that the check cashing industry has undergone significant growth over the past ten years, and that as the popularity and success of the business grew, so did the amounts charged for service. DCCA stated that many states have enacted laws regulating the industry's business practices, including both fee caps and registration programs, but that resource limitations within the DCCA required consideration of alternative regulatory models. DCCA urged the Committee to consider amending the bill to remove registration requirements and establish fee caps, stating that DCCA could not support the measure if the registration requirements were included. DCCA also suggested amendments for the purpose of improving the clarity and effectiveness of the law.

Thomas Cook requested an amendment to narrow the definition of the term, "check", to exclude foreign denomination and foreign drawn payment instruments, because of concern that activities beyond the focus of traditional check cashing regulatory schemes and similar to those conducted by the company would fall within the scope of the bill.

The AARP submitted testimony that this measure will protect those in lower income brackets, the military, and tourists, who have limited access to checking accounts in the State, and who, as the most frequent users of check cashing organizations, are most vulnerable to overreaching by these organizations. The AARP requested an amendment that would strengthen the protection provided under the customer notice of fees provision of the bill, by requiring that the posted notice identify the State department at which consumer complaints should be filed, and include its phone number.

Your Committee, in accord with the testimony of DCCA, Thomas Cook, and AARP, has amended this measure to:

- (1) Narrow the definition of "check" to exclude traveler's checks, and foreign denomination or foreign drawn payment instruments;
- (2) Remove the bill's registration requirements and associated provisions;
- (3) Establish fee caps that clearly distinguish between three categories of checks:
  - (A) Personal checks and money orders;
  - (B) State public assistance and federal social security checks; and
  - (C) Other checks,with the lowest fee caps applicable to personal checks and money orders, and then in ascending order to state and federal checks, and other checks;
- (4) Require that the check cashing company's posted notice of fees state that customer complaints should be filed with the DCCA, and include and identify the phone number of the DCCA consumer information service;
- (5) Prohibit check cashing for a fee or advertisements indicating that checks will be cashed for a fee where the customer's identification is not provided prior to payment; and

- (6) Remove provisions for criminal, civil, administrative penalties and fines, and make violation of the law an unfair or deceptive act or practice in the conduct of any trade or commerce under section 480-2(a), Hawaii Revised Statutes, and thereby subject to civil penalties of not less than \$500 nor more than \$10,000.

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 Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 460, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 460, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga, Halford, Rath and Thielen.

**SCRep. 438 Consumer Protection and Commerce on H.B. No. 512**

The purpose of this bill is to repeal the July 30, 2000 sunset date of the Hawaii Teacher Standards Board, thereby making the board permanent.

Your Committee finds that the continued existence of the board is essential to ensuring that public school students are taught by qualified teaching professionals.

Your Committee has made technical, nonsubstantive amendments to delete cross references to the law being repealed by this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 512, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 512, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Herkes, Hiraki, Yoshinaga and Rath.

**SCRep. 439 Consumer Protection and Commerce on H.B. No. 936**

The purpose of this bill, as received, is to allow those seeking to recover the amount owed under a dishonored check or other negotiable instrument, to assess a service charge of not more than \$20, provided the maker of the instrument is given notice of the assessment prior to acceptance of the instrument by the payee.

Your Committee received testimony in support of this bill from a number of collection agencies, the Hawaiian Collectors Association, Inc., Retail Merchants of Hawaii (RMH), Kauai Credit Adjusters, Ltd., an attorney specializing in debtor-creditor law, and other members of the business community. The Department of Commerce and Consumer Affairs (DCCA) took no position on the bill.

Many testifiers, who stated that the service charge was necessary to deter consumers from writing bad checks and to defray collection costs, found the measure fair, and the \$20 fee, reasonable. Credit Associates of Maui, Ltd. testified that returned check fees between \$15 and \$40 were charged by the majority of businesses in Hawaii, and several testifiers stated that the maximum \$20 fee would protect the consumer from unfair and unreasonable service fees.

Upon consideration of the measure, its purpose, and the testimony submitted, your Committee has amended this measure by:

- (1) Removing the requirement that notice of the assessment be provided the maker of a dishonored instrument prior to acceptance of the instrument by the payee; and
- (2) Making technical amendments to the form of the bill to make clear that:
  - (A) The service charge of not more than \$20 may be assessed regardless of whether there is an accompanying action for treble damages; and
  - (B) Prior to bringing an action for treble damages, plaintiffs inform defendants, and request payment of not only the amount owed on the instrument, but also of the service charge.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 936, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 936, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga, Halford, Rath and Thielen.

**SCRep. 440 Consumer Protection and Commerce on H.B. No. 1065**

The purpose of this bill is to create a Health Insurance Revolving Fund, funded by a yearly assessment not to exceed \$500,000, calculated on a pro rata basis, and paid by entities offering or providing health benefits or services regulated by the Insurance Commissioner (Commissioner), with moneys from the fund to be used for the regulation of health insurance.

The Department of Commerce and Consumer Affairs (DCCA), American Association of Retired Persons, and Kaiser Permanente testified in support of this measure. State Farm and the Hawaii Medical Services Association (HMSA), also supported this bill, suggesting amendments.

DCCA testified that through legislation in Act 387, Session Laws of Hawaii (SLH) 1997, Act 179, SLH 1995, and Act 178, SLH 1998, the Legislature gave the Commissioner the authority to examine the financial affairs of mutual benefit societies, to regulate all health maintenance organizations (HMOs), and to regulate all entities offering or providing health benefits or services under Article 2 and 13 of the Insurance Code. Throughout this time the Insurance Division was never, however, provided with the staffing and resources needed to accomplish these legislative mandates. DCCA testified that its one full-time person assigned to health care regulation is paid from the Motor Vehicle Insurance Revolving Fund (MVIRF), and that its Financial Surveillance and Examination Branch, responsible for examination and financial surveillance of all mutual benefit societies and HMOs, is approximately 75 percent funded by all insurers with the exception of health insurers. DCCA stated that not only were additional personnel needed to regulate health insurers as mandated, but that it was unfair to other insurers to continue to give health insurers a "free ride."

HMSA recognized that the staff of the Insurance Division (Division) was currently overburdened and that with the possible passage of multiple federal regulations looming in the future, the Division might need additional staffing support. HMSA did not object to providing its fair share toward the Division's needs, but requested an amendment to the terms of the assessment to clarify "pro rata" and to make clear that federal and state programs are excluded from the calculation of the aggregate annual assessment. HMSA also recommended that the Commissioner be required to provide a justification for increases in assessments so that this information could be passed on by HMSA, to employers and individual rate payers.

After full and free discussion of this bill, your Committee has incorporated the amendments suggested by HMSA.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1065, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1065, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Takumi, Yoshinaga and Thielen.  
(Representatives Rath and Whalen voted no.)

**SCRep. 441 Consumer Protection and Commerce on H.B. No. 1068**

The purpose of this bill is to provide for a quarterly filing requirement for health maintenance organizations to allow the insurance division to obtain financial information on a more timely basis.

The Department of Commerce and Consumer Affairs submitted testimony in strong support of this measure, stating that the amendment contained in this bill merely codifies the quarterly filing requirements already being met by HMOs under a separate section.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1068, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1068, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Takumi, Yoshinaga and Thielen.

**SCRep. 442 Consumer Protection and Commerce on H.B. No. 1077**

The purpose of this bill is to amend the Hawaii Limited Liability Company Act of Chapter 428, Hawaii Revised Statutes, to conform with amendments made to the Uniform Limited Liability Company Act that was drafted and adopted by the National Conference of Commissioners on Uniform State Laws (NCCUSL) several years ago. In addition to the conforming amendments, the measure includes amendments that among other things, are intended to:

- (1) Repeal prohibitions against limited liability companies (LLCs) engaging in insurance company and financial institution activities, as well as those of other professions and vocations, without affecting other statutory requirements regarding those activities;
- (2) Extend the time within which an administratively terminated LLC may apply to the Director of Commerce and Consumer Affairs for reinstatement;

- (3) Allow the one-step amendment and restatement of an LLC's articles of organization; and
- (4) Repeal provisions requiring case law be applied when a party seeks to hold members of a limited liability company personally liable, a housekeeping measure that is not intended to affect underlying individual rights to "pierce the corporate veil."

The Department of Commerce and Consumer Affairs (DCCA), and a Hawaii member of the NCCUSL testified in support of this bill. DCCA stated that the amendments to Hawaii's LLC Act were intended to make Hawaii business law transparent to persons in states with the same, uniform laws, thus making it easier to form limited liability companies in, and encouraging the free flow of trade and commerce through the State of Hawaii.

Your Committee has made technical, nonsubstantive amendments to this measure for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1077, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1077, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Morita, Yoshinaga, Rath and Thielen.

**SCRep. 443 Consumer Protection and Commerce on H.B. No. 1083**

The purpose of this bill is to allow the Department of Commerce and Consumer Affairs (DCCA) to become fiscally self-sufficient by combining most of the DCCA's special and revolving trust funds into the DCCA compliance resolution fund (CRF). The CRF would be managed by DCCA to fund DCCA operations, and the CRF would not be subject to central service and departmental administrative expense reimbursement deductions or other reversions to the general fund. This measure:

- (1) Provides that moneys deposited into the CRF shall, in addition to fees and fines collected by DCCA, include:
  - (A) As of June 30, 1999, unencumbered balances in the Cable Television Fund (CTF), Division of Consumer Advocacy Fund (DCAF), Financial Institution Examiners' Revolving Fund (FIERF), and Special Handling Fund (SHF); and
  - (B) As of July 1, 1999, moneys that under existing law are paid into the CTF, DCAF, FIERF, and SHF;
- (2) As of July 1, 1999, specifically repeals the FIERF and SHF by deleting statutory references to these funds, and repeals the CTF by removing the requirement that fees collected from cable operators not exceed DCCA expenditures for cable operator regulation;
- (3) Removes the restriction that DCCA fees for registration, certification, licensure, and any other administrative process bear a reasonable relation to the cost or value of services rendered, while retaining statutory limits on the specific amounts of these fees;
- (4) Authorizes the DCCA, pursuant to chapter 91, to establish, increase, decrease, or repeal fees paid by financial institutions subject to examination or affected by emergency orders, and to adjust fees paid by cable operators;
- (5) Repeals the requirement that fees collected by the Professional and Vocational Licensing and Business Registration Divisions be used to defray administrative and personnel costs of these divisions;
- (6) Broadens the scope of permissible DCCA use of CRF moneys to include DCCA operations and costs, including costs of financial institution examinations and emergency orders, and excluding those costs related to the Hawaii Public Broadcasting Authority; and
- (7) Expands the definition of "compliance resolution" as used with reference to the CRF, to include work involved in or supporting existing compliance resolution activities, licensing or registration, consumer protection, and other DCCA activities.

DCCA submitted testimony strongly supporting this bill, stating that in order to meet its mandated responsibilities DCCA had been moving steadily towards self-sufficiency because over the last four years general fund support for DCCA's programs had declined significantly. DCCA testified that the 19th Legislature approved moving a large portion of the DCCA budget off the general fund and that this bill would further assist DCCA by consolidating most of its special and revolving trust funds, and providing DCCA with the flexibility required for self-funded, department-wide management of its operations. DCCA testified that it would continue to account for all sources of funding separately to track the relationship between the expenses and revenues of DCCA's various divisions and programs.

Upon consideration of the bill and testimony submitted, your Committee has made technical amendments:

- (1) Necessary to exempt the CRF from sections 36-27 and 36-30, HRS;

- (2) To conform the bill to standard drafting conventions; and
- (3) For purposes of style, clarity, and accuracy.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1083, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1083, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga, Halford, Rath and Thielen.

**SCRep. 444 Consumer Protection and Commerce on H.B. No. 1139**

The purpose of this bill is to improve the clinical laboratory licensing program by:

- (1) Deleting the clinical laboratory supervisor category of licensure;
- (2) Adding the clinical laboratory specialist and clinical laboratory cytotechnologist categories of licensure; and
- (3) Renaming the laboratory technologist category as clinical laboratory scientist.

Testimony in support of the measure was submitted by the Department of Health.

Your Committee finds that there is a need for clarity on the categories of licensure. Your Committee believes that this measure will provide the needed clarity and will facilitate the Department of Health's administration of the clinical laboratory licensing program.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1139, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Herkes, Hiraki, Yoshinaga and Rath.

**SCRep. 445 Consumer Protection and Commerce on H.B. No. 1203**

The purpose of this bill is to allow collection agencies to recover their collection fees directly from delinquent taxpayers when under contract with the Department of Taxation (Department) for the collection of delinquent taxes.

The Department testified in support of this bill. Comments expressing concerns about the proposed bill were received from the Tax Foundation of Hawaii.

Your Committee finds that under current law, collection agencies are prohibited from collecting any collection fee, attorney's fee, or commission from any debtor. Thus, a collection agency cannot collect its fee from the delinquent taxpayer at the same time it collects delinquent taxes, penalties, and interest on behalf of the Department. As a result, the Department must make further efforts to collect the collection agency's fee from the taxpayer. These efforts not only aggravate and confuse taxpayers who believe they have fully paid their delinquent taxes, but are also an inefficient use of Department resources.

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 Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1203, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1203, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Morita, Yoshinaga, Rath and Thielen.

**SCRep. 446 Water and Land Use on H.B. No. 208**

The purpose of this bill is to require publication of environmentally related permit applications in the Office of Environmental Quality Control bulletin.

Your Committee received testimony as follows:

1. Hawaiian Electric Company, Hawaii's Thousand Friends, in support; and
2. Office of Planning of the Department of Business, Economic Development, and Tourism, three University of Hawaii professors, offering comment.



Your Committee finds that this bill will give statutory confirmation of an existing practice.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 208, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 447      Water and Land Use and Energy and Environmental Protection on H.B. No. 1503**

The purpose of this bill is to allow counties to place liens on real property served by a county sewer system for uncollected water and sewer fees.

Your Committees received testimony in support of this bill from the County of Maui Department of Water Supply.

Your Committees find that unpaid water and sewer fees add a fiscal burden to the counties that weighs heavily during this time of economic hardship. Giving counties the authority to place a lien on the property for any fees unpaid for one year or more can help them recover their costs for these capital-intensive services.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1503 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Garcia.

**SCRep. 448      Legislative Management on H.B. No. 1221**

The purpose of this bill is to transfer responsibility for the sale of legislative materials from the Lieutenant Governor to the Revisor of Statutes.

The Office of the Lieutenant Governor supported this bill, but recommended amending section 91-4.3, Hawaii Revised Statutes, to require the Legislative Reference Bureau (LRB), instead of the Office of the Lieutenant Governor, to sell the Hawaii Administrative Rules Index. The Office of the Lieutenant Governor noted that it is not necessary to duplicate the efforts of the LRB, which already produces a comprehensive index of the Administrative Rules.

LRB commented that although the sale and distribution of legislative materials should remain with the Executive Branch, if the Legislature determines that the transfer is necessary, then an appropriation would be needed to facilitate the transfer.

Taking into account these recommendations, your Committee has amended this measure as follows:

- (1) Required the LRB, instead of the Lieutenant Governor, to sell the Hawaii Administrative Rules Index; and
- (2) Appropriated a blank amount to facilitate the transfer of functions.

Your Committee believes that this consolidation should not only streamline government but would also provide greater convenience to the public because all legislative-related materials would be available at one location. However, the following costs and logistical factors must be subsequently determined and considered:

- (1) Any additional handling and warehouse/storage space costs to be incurred by the LRB, including needed space at the Capitol; and
- (2) The possibility of transferring involved resources from the Lieutenant Governor's Office to the LRB.

LRB was requested to provide the above information before this measure is scheduled for hearing by the House Committee on Finance.

In addition, your Committee made numerous technical, nonsubstantive amendments to correct drafting and clerical errors, including setting forth section 26-1, Hawaii Revised Statutes, in its entirety to prevent its ultimate repeal and reenactment as required in Act 27, Special Session Laws of Hawaii (SSLH) 1995. As amended and set forth in this measure, section 26-1 includes all of the amendments to the section made to date since Act 27, SSLH 1995, to confirm the form and substance of the section as intended by your Committee to survive upon enactment.

The June 30, 1999, drop dead requirement of Act 27, SSLH 1995, which was subsequently amended by Act 13, Session Laws of Hawaii 1996, was also addressed to ensure that certain provisions of section 26-1 are not inadvertently eliminated after June 30, 1999.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1221, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1221, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takamine, Kahikina and Souki.

**SCRep. 449 Education on H.B. No. 389**

The purpose of this bill is to appropriate additional state funds to the Department of Education to implement the Learn and Serve Hawaii program.

Specifically, the state funding is necessary to supplement federal funds and thereby extend the benefits of service-learning to more island students.

Your Committee finds that Learn and Serve America is a federal grants program administered by the federal Corporation for National Service. Grants from the federal agency are used as seed money to design and implement service-learning programs in about twenty public schools annually.

Your Committee further finds that service-learning provides a real-life context for experiential, purposeful, hands-on learning by involving students in community or school service projects. Through service-learning, students learn and apply academic skills while also developing societal skills. Students develop an increased sense of ownership and pride from undertaking projects that better their communities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 389 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 450 Education on H.B. No. 1094**

The purpose of this bill is to create educational alternatives for public school students who are expelled, suspended, or whose presence on campus has been determined to be a disruption or a detriment to the educational process.

Dawson Health Services endorsed the bill. Testifying in support of the intent of the bill, the Department of Education (DOE) suggested an amendment. While testifying in opposition to the bill, the Hawaii State Teachers Association agreed that there is a need for alternative schools, but expressed a concern for the implementation of this project.

Your Committee finds that laws have been passed to make campuses safer for students and staff by authorizing the DOE to give long-term suspensions to students who commit serious offenses. However, there are limited options in the community for providing education to these students. This bill creates additional options that would be available to principals who suspend or expel students.

Your Committee agrees with the suggestion made by the DOE. The bill has been amended by:

- (1) Requiring sound instruction to be provided using curriculum materials that are aligned with the Hawaii Content and Performance Standards; 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 is in accord with the intent and purpose of H.B. No. 1094, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1094, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 451 Education on H.B. No. 1392**

The purpose of this bill is to require the Superintendent of Education to establish and operate a science laboratory assistant demonstration project to determine the effectiveness of laboratory assistants in improving student learning in the science classroom.

This bill also requires the superintendent to submit a report on the status of the science laboratory assistant demonstration project to the Legislature no later than twenty days prior to the convening of the regular sessions of 2000 and 2001.

Your Committee received testimony in support of this bill from the Hawaii State Teachers Association, the Hawaii State Parent, Teacher, Student Association, twenty science teachers, a former teacher-educator, and a special education teacher. The Department of Education concurred with the intent of this bill.

Your Committee finds that the teaching of science at the secondary level is increasingly more demanding, with increased requirements in non-instructional areas, such as the maintenance of accurate inventories of chemicals and equipment, the filing of material safety data sheets for chemicals, the maintenance of safe laboratory conditions that meet the State's occupational safety and health standards, and the preparation of materials for laboratory experiences aligned with the state student performance standards. Science teachers now spend substantial amounts of non-instructional time to fulfill these increased demands.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1392 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 452 Human Services and Housing on H.B. No. 92**

The purpose of this bill is to increase access to child care by including condominiums and apartments as types of residences eligible to be used as child care facilities for unrelated children.

People Attentive to Children and many individuals submitted testimony in support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure. The Hawaii Fire Chiefs Association, the Honolulu Fire Department, the Hawaii Association of Realtors, and many individuals submitted testimony in opposition to this measure. The Hawaii Council of Associations of Apartment Owners and an individual submitted comments.

Your Committee finds that there is a need for more quality, licensed family child care providers. Deregulating family child care homes will encourage unlicensed providers to seek licensure and offer legal child care to residents of condominiums and apartments. Furthermore, this measure encourages persons, particularly women, to start small, child caring businesses.

Your Committee has amended this measure by:

- (1) Sunsetting this measure on June 30, 2001; and
- (2) Requiring that when child care providers in condominiums and apartments care for:
  - (A) Five or more children they must care for two or more children whose parents live in the building; and
  - (B) Four children or fewer, they must care for one or more children whose parents live in the building.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 92, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 92, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Kawakami and Pendleton.  
(Representatives Stegmaier and McDermott voted no.)

**SCRep. 453 Human Services and Housing on H.B. No. 508**

The purpose of this bill is to help residents of the Waianae Coast improve their conditions and quality of life by:

- (1) Appropriating funds to the Waianae Coast Community Benchmarking Pilot Project (Benchmarking Project) and the Hawaii Community Services Council to support the benchmarking project; and
- (2) Extending the benchmarking project three years to June 30, 2003.

The Hawaii Community Services Council, the Waianae Coast Culture and Art Project, Waianae Coast Early Childhood Services, the Waianae Coast Coalition, the Aloha United Way, the Waianae Coast Comprehensive Health Center, Alternative Structures International, the Waianae Business Center, the Native Hawaiian Homesteads Association, and five individuals submitted testimony in support of this measure.

Your Committee finds that the benchmarking project, established in Act 314, Session Laws of Hawaii (SLH) 1997, has been successful in organizing the community and developing proposals and plans for the future. It is critical that resources are made available to make these plans a reality.

Your Committee has amended this measure by:

- (1) Replacing the appropriation with \$2 for purposes of further discussion;
- (2) Clarifying that the moneys being expended is to support the benchmarking project established under Act 314, SLH 1997; 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 508, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 508, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 454 Human Services and Housing on H.B. No. 527**

The purpose of this bill is to appropriate funds to the Hale Kokua program, which assists the homeless of Hawaii by authorizing payments of state grants and monthly rent supplements to interested property owners who provide rental space to employed homeless families or individuals.

The Housing and Community Development Corporation of Hawaii submitted testimony stating support for the homeless, but withholding support for any appropriation not consistent with the State's Executive Budget request.

Your Committee has amended this measure by appropriating \$1 for each year of fiscal biennium 1999-2001 for the purpose of 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 is in accord with the intent and purpose of H.B. No. 527, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 527, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 455 Human Services and Housing on H.B. No. 550**

The purpose of this bill is to provide additional funding for the Rental Housing Trust Fund (RHTF) through the authorization of general obligation bonds.

The Hawaii Catholic Conference, Catholic Charities of the Diocese of Honolulu, Institute for Human Services, Inc., Health Care for the Homeless Project, Legal Aid Society of Hawaii, Affordable Housing and Homeless Alliance, and the American Association of Retired Persons testified in support of the bill. The Governor's office submitted testimony supporting the intent of the bill. The Housing and Community Development Corporation of Hawaii testified in support of additional funding for RHTF, so long as such funding does not compromise the State's financial plan.

Your Committee finds that additional funding of RHTF is essential to encourage the development and availability of low income rental housing throughout the State.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 550 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 456 Human Services and Housing on H.B. No. 588**

The purpose of this bill is to include persons with a dating history within the definition of family or household member.

Testimony in support of the bill was submitted by the Domestic Violence Clearinghouse and Legal Hotline, Hawaii Women Lawyers, the Hawaii State Coalition Against Domestic Violence, the Hawaii Family Forum, Child & Family Service, Hawaii Lawyers Care, and Parents and Children Together.

Testimony in support of the intent of the bill but suggesting amendments was submitted by the Department of Health, the Honolulu Police Department, and the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that legislation addressing domestic abuse should focus primarily on the behavior and the relationship of the parties as opposed to their physical living situation. However, your Committee had concerns that the phrase "dating relationship" was too vague and ambiguous.

Therefore, your Committee has amended the measure by:

- (1) Providing greater specificity to the meaning of the phrase "dating relationship"; 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 588, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 457 Consumer Protection and Commerce on H.B. No. 170**

The purpose of this bill is to adopt the federal income tax deduction for long-term health care insurance premiums.

This bill conforms the state income tax law with the Internal Revenue Code regarding the treatment of long-term health care insurance premiums. The federal tax law has allowed a medical expense deduction from taxable income for long-term health care insurance premiums since 1997. Current state income tax law does not allow the deduction.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Executive Office on Aging, the Department of Taxation, Hawaii Medical Service Association, State Farm Insurance Companies, the American Council of Life Insurance, Hawaii State Association of Life Underwriters, American Association of Retired Persons, Hawaii Long Term Care Association, Healthcare Association of Hawaii, the Hawaii Coalition for Affordable Long Term Care, Policy Advisory Board for Elder Affairs, and a concerned citizen. No testimony in opposition to this measure was received.

Your Committee finds that this measure will be an incentive for people to plan ahead by taking out long-term health care insurance. The more people that purchase long-term health care insurance policies, the lighter the State's financial burden will be, especially as the bulk of the population moves into their advanced years.

Your Committee has made technical, nonsubstantive amendments to this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 170, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 170, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Herkes, Hiraki, Yoshinaga and Rath.

**SCRep. 458 Consumer Protection and Commerce on H.B. No. 627**

The purpose of this bill is to expand health care coverage for low income children by securing federal matching funding from the federal Children's Health Insurance Program through an appropriation of funds from a Tobacco Agreement Special Fund.

The Department of Health (DOH) and the Department of Human Services (DHS) supported the intent of this measure. Testimony in support of this measure was received from Hawaii Catholic Conference, American Academy of Pediatrics, Health Care Association of Hawaii (HCAH), and the Department of Budget and Finance (B & F).

DOH supported the use of matched funds from the State's tobacco lawsuit settlement, which would obviate the need for a general fund appropriation and would also support a worthy cause. DOH mentioned that the administration had proposed a bill that would create a special fund composed of tobacco settlement moneys for various health programs including a children's health program administered by the DHS.

HCAH stated that it supported use of settlement moneys for healthcare because they were obtained as a recoupment of government dollars spent on treatment of smoking related illnesses. HCAH also supported the measure as an investment in the future of our State.

B & F noted that the bill could not be implemented unless a tobacco agreement special fund was created, and recommended that the DHS, and not DOH be designated the expending agency.

Your Committee agrees that expenditure of tobacco settlement dollars on the healthcare of uninsured children would be an appropriate investment of those moneys in Hawaii's future. In anticipation of further discussion of this measure in conjunction with other bills introduced this session, your Committee has amended the bill by replacing DOH with DHS as the expending agency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 627, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 627, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Takumi, Yoshinaga and Thielen.

**SCRep. 459 Education on H.B. No. 284**

The purpose of this bill is to statutorily establish the Hawaii State Student Council consisting of student representatives from each departmental school district. Among other things this bill requires the:

- (1) Council to conduct an annual conference of secondary students;
- (2) Council to determine the method of selecting the student member of the Board of Education;
- (3) Council to appoint a conference committee to plan and coordinate the annual student conference; and
- (4) Department of Education to assign a part-time or full-time staff member to assist the Council as a staff advisor to the Council and another as a staff advisor to the conference committee.

Finally, the bill repeals chapter 317, Hawaii Revised Statutes, which established an annual conference of secondary school students to identify school problems that require the attention and joint action by the students, Department of Education, and the Legislature.

Your Committee received testimony in support of the intent of this bill from the Department of Education, with concerns expressed over the requirement to assign staff advisors by statute. Other testimony in support was received from the Hawaii State Teachers Association and many student representatives from Hawaii's schools.

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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 284, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 284, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 460 Education on H.B. No. 318**

The purpose of this bill is to appropriate funds to the Department of Education for two hundred ninety-two full-time equivalent (292.00 FTE), temporary, school clerical positions to partially implement the recommendations of the 1990 school and district office clerical staffing study.

Your Committee finds that this figure represents the number of clerk positions needed to bring all schools into compliance with the recommended staffing standards for clerks, based on projected enrollment figures for 1997. This figure does not include the number of clerk typist and account clerk positions needed to bring all schools into compliance with the recommended staffing standards for those positions.

The Department of Education's 1990 school and district office clerical staffing study concluded that an additional 429.50 full-time equivalent clerical positions would be needed to bring all schools into compliance with the recommended school clerical staffing standards. The study also concluded that 159.50 full-time equivalent clerical positions would be needed to bring all schools into compliance with the recommended priority staffing guidelines. The priority guidelines were established in recognition of the belief that creating an additional 429.50 full-time equivalent clerical positions was neither reasonable nor attainable at the time.

Since the foregoing numbers were based on enrollment figures and the number of schools in 1990, it was understood that they would be subject to immediate and constant change. The recommended school clerical staffing standards and priority staffing guidelines, however, are still valid and can be used to determine the number of additional clerical positions needed to bring all schools into compliance with the recommended staffing standards and priority guidelines.

If the Department of Education's clerical shortage is not alleviated in the near future, then problems relating to employee morale; the recruitment and retention of clerical personnel; and the effective and efficient utilization of administrative, technical, professional, and paraprofessional school-level personnel, will only worsen with time.

Your Committee received testimony in support of this bill from the Department of Education, the Hawaii Government Employees Association, the Hawaii School Office Services Association, the Hawaii State Teachers Association, five school administrative services assistants, and two individuals.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 318 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 461 Energy and Environmental Protection on H.B. No. 842**

The purpose of this bill is to assist local food processors who sell their products in small glass containers to tourists and food service companies. This bill exempts glass containers that hold not more than two fluid ounces of food from the advance disposal fee.

The Hawaii Food Industry Association testified in support of this measure. The Department of Health also supported the measure with certain amendments.

Although the glass container recovery law was designed to be easy to monitor and simple to understand, it also penalizes those using small glass containers. The advance disposal fee is 1.5 cents per unit. The law does not distinguish between a large bottle of wine or a small glass container. As a result, the advanced disposal fee becomes a major cost of production for those who utilize small glass containers, especially when the cost of the product is low.

Your Committee finds that local food processors actually use glass containers with a capacity of 2.5 ounces for fruit preserves which are exported in gift packs or baskets. The standard sizes of small glass containers are 1.5 ounces, 2.5 ounces, and 7 ounces.

In order to assist these local food processors, your Committee has amended this bill by exempting empty, imported glass containers with a capacity of not more than 2.5 ounces. Section 342G-85(b), Hawaii Revised Statutes, was also amended to correct the amount of the advanced disposal fee which should be 1.5 cents instead of .015 cents.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 842, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 842, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 462      Water and Land Use and Agriculture on H.B. No. 179**

The purpose of this bill is to protect agricultural lands by establishing a commission to update and re-evaluate the findings of the 1986 report of the Land Evaluation and Site Assessment (LESA) Commission.

The 1983 Legislature had established the LESA Commission to identify important agricultural lands (IAL) that the Legislature should set aside according to a classification system developed by the LESA Commission. As a result, in 1986, the LESA Commission submitted findings and recommendations concerning:

- (1) The development of the initial inventory of the State's IAL;
- (2) A classification system to identify these lands; and
- (3) A process to review requests for a change in designation of specific parcels from IAL to urban or to other uses.

Since the completion of this report, the profile of Hawaii's agricultural lands has changed dramatically due to the shift from a plantation-type system to the focus on small scale and diversified agriculture. In light of these changes, it is timely to update the 1986 LESA report.

This bill would establish a new LESA Commission (Commission) headed by the chairperson of the Board of Agriculture that would:

- (1) Re-evaluate, re-assess, and update the 1986 LESA report;
- (2) Recommend incentives for landowners to keep their lands in agricultural production; and
- (3) Examine the feasibility of a two-tier land evaluation system in which land currently being cultivated would be held to a lower criteria standard and land not being cultivated would be held to a higher criteria standard.

The following agencies and organizations testified in support of this measure: the Department of Land and Natural Resources; the Land Use Commission; the University of Hawaii's College of Tropical Agriculture and Human Resources; the County of Hawaii Planning Department and Department of Research and Development; the Land Use Research Foundation of Hawaii; Hawaii Business Roundtable; the Hawaii Chapter of the American Planning Association; the Hawaii Farm Bureau; and the Estate of James Campbell. The Department of Agriculture, the Office of Planning, and the Hawaii Association of Realtors supported the intent of this bill. The Sierra Club, Hawaii Chapter, Hawaii's Thousand Friends, and an individual testified in opposition.

To narrow the focus of this undertaking and to expedite the completion of the report, your Committees have:

- (1) Directed the Commission to utilize the standards and criteria in the Agricultural Lands of Importance to the State of Hawaii (ALISH) classification system to identify prime agricultural lands, unique agricultural lands, and other important agricultural lands; and
- (2) Deleted the requirements for the Commission to:
  - (a) Re-evaluate, re-assess, and update the 1986 LESA report; and
  - (b) Examine the concept of a two-tier land evaluation system.

Your Committees have further amended this bill by:

- (1) Deleting the requirement for the Commission to recommend goals relating to agricultural production;
- (2) Re-naming the Commission as the State of Hawaii Important Agricultural Lands Commission;
- (3) Specifying that funds may be used for the preparation of maps and other technical services;
- (4) Deleting development rights from consideration as one of the incentives for landowners to keep their lands in agricultural production; and
- (5) Making technical, nonsubstantive amendments for the purpose of clarity.

Finally, your Committees urge the members of the Commission to:

- (1) Use the 1986 LESA report as a starting point; and
- (2) Consider alternative incentives for landowners to keep their lands in agricultural use, including tools such as development rights.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 179, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 179, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ahu Isa, Garcia, Ito and Rath.

**SCRep. 463      Water and Land Use on H.B. No. 582**

The purpose of this bill is to grant property owners immunity from civil liability incurred when a person is injured on the owner's land while engaging in a "recreational purpose".

Your Committee received testimony as follows:

1. Board of Land and Natural Resources, City and County of Honolulu Department of the Corporation Counsel, two county councilmembers, State Farm Insurance Companies, Na Ala Hele Advisory Council, in support;
2. Consumer Lawyers of Hawaii, in opposition; and
3. County of Hawaii Office of the Corporation Counsel, offering comment.

Your Committee finds that granting liability protection will enable landowners to open their land for greater access to the public for recreational purposes. It is not the intent of your Committee to give complete immunity or exempt landowners from negligence. The immunity will not exempt activities for which the landowner charges users, or willful or malicious failure to guard or warn of dangerous conditions or activities, which are covered in Section 520-5, Hawaii Revised Statutes.

Limiting the liability protection for government-owned lands to the state trails and access system will help to alleviate the concerns of those with reservations about restrictions on landowner liability.

Your Committee revised the bill by:

1. Reducing the immunity for government-owned lands to trails and access; and
2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 582, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 464      Energy and Environmental Protection and Water and Land Use on H.B. No. 1370**

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

- (1) Increase the conveyance tax from 10 cents to 20 cents per \$100; and



- (2) Redistribute conveyance tax revenues so that 10 percent would go to homeless shelters and 20 percent would go to the Bureau of Conveyances for a two-year period.

The Institute for Human Services, Inc., and Catholic Charities supported this bill. The Office of the Governor, the Housing and Community Development Corporation of Hawaii (HCDCH), the Board of Land and Natural Resources, and the Affordable Housing and Homeless Alliance supported the intent of this bill.

The Land Use Research Foundation of Hawaii and the Hawaii Association of Realtors opposed the bill.

The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

In recognition that this measure, as received, would increase the tax burden of Hawaii's residents and that there is a pressing need to help the State's homeless, your Committees have amended this bill by:

- (1) Eliminating the conveyance tax increase;
- (2) Distributing 50 percent of the conveyance tax revenues to the HCDCH for a two-year period;
- (3) Deleting the percentages earmarked for the Rental Housing Trust Fund and the Natural Area Reserve Fund;
- (4) Clarifying that when this measure drops dead on June 30, 2001, section 247-7, Hawaii Revised Statutes, will be reenacted in the form in which it existed on July 1, 1999; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1370, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1370, H.D. 1.

Signed by all members of the Committees.

**SCRep. 465 Energy and Environmental Protection on H.B. No. 1595**

The purpose of this bill is to help resolve some of the State's waste disposal problems. This bill seeks to assist Plasma Environmental Technologies (PET) in establishing one or more waste processing facilities by authorizing the issuance of \$60,000,000 in special purpose revenue bonds. Sites under discussion include a \$5,000,000 prototype facility on Oahu. If the prototype proves successful, it would be followed by a \$56,000,000 facility on Kauai.

PET, Kauai Electric, and a Kauai County Council member testified in support of this measure.

It is your Committee's understanding that PET has a patent for the thermal decomposition of waste through a plasma arc system. Through the use of extremely high heat, a variety of wastes including tires, white goods, as well as household, toxic, and medical wastes is melted in an environmentally sound manner. By-products of this system include electricity, glass bricks, and tiles. Accordingly, Kauai Electric has a contract to purchase up to 10 megawatts of energy from PET's proposed Kauai facility.

Your Committee finds that this proposed facility has the potential to address a variety of serious disposal problems facing the State, especially rapidly filling landfills and medical waste disposal. At the same time, assurances are needed that the public, especially those residing close to the proposed sites, has adequate opportunity to express its concerns regarding the project.

In the event that the proposed facility does not require the preparation of an environmental impact statement (EIS) pursuant to chapter 343, Hawaii Revised Statutes, your Committee has amended this bill to require an EIS before special purpose revenue bonds may be issued.

Your Committee also had concerns about the eventual size of the waste processing facility on Kauai as well as the temporary storage and transporting of wastes. Accordingly, your Committee has specified that the waste processing facility on that island only handle wastes generated within the County of Kauai.

Finally, the Committee on Finance may want to stagger the financing so that funding for the Kauai facility is contingent on the success of the Oahu prototype facility.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1595, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 466 Energy and Environmental Protection on H.B. No. 1728**

The purpose of this bill is to lessen noise pollution by:

- (1) Allowing audible reverse warning (ARW) systems in vehicles to be turned off manually for noise control purposes;
- (2) Requiring bright flashing lights to be installed in the rear of vehicles for use whenever a vehicle is moving in reverse, regardless of whether the ARW system is turned on or off; and
- (3) Permitting, effective January 1, 2000, all vehicles to be equipped with ARW systems that can be turned off manually.

Testimony in support of the bill was received from the Ala Moana Residents Advisory Council, the Waikiki Residents Association, and a number of individuals concerned about noise in Waikiki. Testimony in opposition to the bill was received from the Hawaii Transportation Association.

Your Committee finds that there has been a dramatic increase in noise pollution in the more developed areas of Hawaii, and that large trucks, which emit loud, beeping sounds when they are in reverse, are a primary contributor of this noise. Your Committee further finds that when vehicles equipped with ARW systems are operating at night or early in the morning near homes, hotels, or hospitals, ARW systems can be extremely irritating and disrupt peoples' sleep.

Your Committee has amended this bill by providing that, effective January 1, 2000, all vehicles with ARW systems may be equipped with the ability to turn off such systems manually between the hours of 12 midnight and 5:30 a.m.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1728, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs in the form attached hereto as H.B. No. 1728, H.D. 2.

Signed by all members of the Committee except Representative Kanoho.

**SCRep. 467 Water and Land Use on H.B. No. 796**

The purpose of this bill is to provide additional security to lenders on land or interest covered by a lease, patent, license, agreement or other instrument, and provide flexibility to the Department of Land and Natural Resources to assign or transfer leases based on current industry standards.

Your Committee received testimony in support of this bill from the Board of Land and Natural Resources, and the Board of Agriculture.

Your Committee finds that reducing the restrictions on agricultural leasehold land used as security for a loan will address deficiencies in the state leases. In addition, adjustments to the public lands law by allowing assignment of leases without public auction will facilitate the management of public lands and enable the Board of Land and Natural Resources to maximize their efforts to fulfill the public land trust.

Your Committee revised the bill by:

1. Adding definitions of "institutional lender," "making a loan" and "security interest" to the agricultural parks law;
2. Adding closer oversight by the Board of Agriculture for transfers of leases in agricultural parks; 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 Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 796, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 796, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 468 Transportation and Economic Development and Business Concerns on H.B. No. 1027**

The purpose of this bill is to encourage the development of aviation training facilities in the State.

Your Committees find that the geographic location and the climate of Hawaii are ideal for developing an aviation training program for the burgeoning Asia-Pacific aviation industry. Your Committees also find that an aviation training program will help to spur the State's economy through the addition of a new industry, provide challenging careers for Hawaii's youth, and further enhance our relationships with Far East countries. Your Committees further find that Hawaii will be competing with other sites on the Mainland, in Australia, and in Asia itself for establishing this growing industry. Hawaii's aviation industry must receive the State's support if it is to be successful.

This bill proposes to provide an exemption from the general excise tax (GET) for the construction and/or operation of aviation training facilities in the State of Hawaii as an incentive for its establishment.

Testimonies in support of this bill were received from the Office of the Lieutenant Governor, the Department of Transportation, the Department of Taxation, and the University of Hawaii. The Department of Business, Economic Development, and Tourism submitted testimony in support of the bill. The Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committees on Transportation and Economic Development and Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1027 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Catalani, Ito, Morihara, Saiki, Suzuki and Yoshinaga.

**SCRep. 469      Transportation on H.B. No. 1555**

The purpose of this bill is for the State to share costs with the City and County of Honolulu for improving Salt Lake Boulevard.

Your Committee finds that the widening of Salt Lake Boulevard would reduce traffic on bordering freeways and major arterials, facilitate the movement of traffic to and from the Honolulu Stadium, and be a convenience for residents living adjacent to this Boulevard. Your Committee further finds that the widening of Salt Lake Boulevard is an ongoing federal-aid city and county of Honolulu project, but that additional funding is needed to complete the project.

This bill proposes to have the State share the cost of completing the widening of Salt Lake Boulevard by appropriating the sum of \$4,725,000 from general funds for fiscal year 2000.

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

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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1555, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 470      Transportation on H.B. No. 1547**

The purpose of this bill is to facilitate the enforcement of the prohibition against stopping, standing, or parking vehicles in designated areas on the highways.

Your Committee finds that traffic safety and the flow of traffic may be impeded by stopped, standing, or parked vehicles, and should be prohibited when these conditions exist. Your Committee further finds that prohibitions against stopping, standing, and parking on highways must now be indicated by signs.

This bill proposes that the Director of Transportation, the counties, and owners of private highways, with the consent of the county official responsible for traffic control, may use curb markings, as well as signs, to prohibit the stopping, standing, or parking of vehicles on highways, when appropriate.

Testimony supporting the intent of this bill was received from the Department of Transportation.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1547 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 471      Transportation on H.B. No. 382**

The purpose of this bill is to improve land transportation between Hilo and Kona and intermediate destinations on the island of Hawaii.

Your Committee finds that the Saddle Road is the most direct route connecting Hilo and Kona, the two large urban centers on the island of Hawaii. Your Committee further finds that the Saddle Road has many substandard features which should be corrected for the safety and convenience of residents, tourists, and businesses transporting goods.

This bill proposes to authorize the issuance of general obligation bonds and make an appropriation for the repair, upgrading, realignment, and reconstruction of the Saddle Road.

Testimonies in support of this bill were received from the the Hawaii County Council, the Japanese Chamber of Commerce and Industry of Hawaii, and the Democratic Party of Hawaii. The Department of Transportation supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 382 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 472      Transportation on H.B. No. 1565**

The purpose of this bill, as received by your Committee, is to make the Waimea Bay area more user friendly for residents and for tourists who want to enjoy its scenic beauty safely.

Your Committee finds that Waimea Bay is famous for its high surf, attracting residents and visitors who impede normal traffic movement by slowing down to view this scenic vista, thus creating serious safety hazards. Your Committee further finds that the lack of off-the-road parking results in dangers to occupants of vehicles that park on the narrow shoulders of the highway, and walk to get a good view of the pounding surf.

This bill proposes to appropriate funds in the amount of \$300,000 to study the feasibility of creating a Waimea lookout and rest area for persons wishing to view this scenic point, thereby reducing parking hazards and traffic congestion.

Testimony in support of this bill was received from a resident of Oahu's North Shore. The Department of Transportation supported the intent of this bill.

Your Committee has amended this bill by reducing the appropriation to \$1, deferring decision as to an appropriate sum to the Committee on Finance.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1565, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1565, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 473      Transportation on H.B. No. 1401**

The purpose of this bill is to require towing companies to protect the interests of consumers against losses due to damages to their vehicles and losses of possessions therein, and to properly identify their towing vehicles.

Your Committee finds that damages may be incurred by vehicles while being towed, and that possessions within the vehicles may be lost, damaged, or stolen during storage. Your Committee also finds that it is difficult to determine whether a vehicle being towed is a legitimate enterprise or the vehicle is being stolen, when towing vehicles have no identification as to name of company, address, and telephone number. Your Committee further finds that most towing companies are engaged in point to point service, usually with the owner in the vehicle, and do not store vehicles, making the cost of bonding an unnecessary expense, since they already have "On Hook" liability insurance to cover damages to vehicles while being towed.

Testimonies in support of this bill were received from the Hawaii State Towing Association, Waialae Chevron's Towagon Service, and A Tow in Paradise. The Department of Commerce and Consumer Affairs supported the intent of this bill, but suggested that the bonding requirement be deleted. Testimonies in opposition to the bill were received from several small towing companies, including: Off Peak Towing, Precious State Towing & Recovery, Humbug's Towing, Inc., Dean's Towing, Pron-Tow Service, K&Y Chevron, and an independent tower all of whom objected to the required bonding, since they do not store vehicles, minimizing loss of possessions within vehicles being towed, since vehicle owners accompany the tow wagons or remove their possessions before towing. Some of these towing companies objected to using the addresses of their businesses for identification, since they operate from their homes.

Your Committee has amended this bill by deleting provisions for insurance and bond requirements, and has limited tow wagon identification to the towing business' name and telephone number.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1401, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1401, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 474      Transportation on H.B. No. 1034**

The purpose of this bill is to enable the Public Utilities Commission (PUC) to respond to urgent and immediate needs for public transportation services.

Your Committee finds that the PUC faces delays in providing public transportation services to areas where the number of certified carriers is insufficient or nonexistent, causing inconvenience for residents of the area where the emergency exists.

Your Committee further finds that these delays were caused by an amendment to section 271-16, Hawaii Revised Statutes, which requires that every application for temporary authority be in writing and notarized, and requires the PUC to provide proof of service of the application upon every current holder of an operating authority in the classification for which the temporary authority is applied.

This bill proposes to restore the flexibility of the PUC in responding immediately to emergency requests for public carrier service, by deleting the provisions that other holders of an operating authority be notified, and that applications be in writing and notarized.

Testimonies in support of this bill were received from the Department of Commerce and Consumer Affairs and the PUC.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1034 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 475      Transportation on H.B. No. 1292**

The purpose of this bill is to provide water transportation between the islands of Molokai and Maui.

Your Committee finds that Molokai has the highest unemployment rate in the State, while Maui has work opportunities for some of these unemployed persons. Your Committee further finds that water transportation between the two islands ceased operation in 1996, leaving Molokai residents without ferry transportation to reach Maui worksites at reasonable cost.

This bill proposes to appropriate funds to reestablish an interisland ferry system between the islands of Maui and Molokai.

Testimonies in favor of this bill were received from the Maui County Council and Boats/Hawaii Inc. The Department of Transportation testified in support of the intent of the bill.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1292 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 476      Transportation on H.B. No. 1210**

The purpose of this bill is to permit the Department of Transportation (DOT) to form reciprocal driver licensing agreements with foreign jurisdictions.

Your Committee finds that other countries have expressed an interest in permitting drivers licensed in their countries to be able to secure driver's licenses in Hawaii when arriving as visitors. These countries would, in turn, extend the same courtesies to Hawaii's visitors to their countries. Your Committee further finds that this would save time and money for visitors to and from Hawaii.

This bill proposes to authorize the DOT to enter into reciprocity agreements with foreign jurisdictions to exempt drivers who are licensed by foreign jurisdictions from road test requirements.

Testimony in support of this bill was received from the DOT.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1210 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 477      Transportation on H.B. No. 719**

The purpose of this bill is to provide additional funds for the counties to remove abandoned vehicles and beautify their highways.

Your Committee finds that an additional fee of not more than \$1 may be established by county ordinance for each certificate of vehicle registration issued; with the generated revenues to be used for highway beautification and related activities. Your Committee further finds that the present fee of \$1 is insufficient for the efforts of the counties to remove abandoned vehicles and beautify their highways.

This bill, as received, proposes to increase the fee from \$1 to \$5 at time of issuance of each vehicle certificate of registration, to be used for highway beautification and related activities.

Testimony in support of this bill was received from the Department of Customer Services of the City and County of Honolulu. The Department of Health testified in support of the intent of the bill.

Your Committee has amended this bill by decreasing the proposed surcharge to \$2, instead of \$5, for each vehicle certificate of registration issued.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 719, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 719, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 478      Transportation on H.B. No. 642**

The purpose of this bill is to remove the prohibition against permitting motor vehicle lessors to receive commissions for selling collision damage waivers to vehicle renters.

Your Committee finds that the payment of commissions on rental vehicle collision damage waivers has been barred since 1990. Your Committee further finds that this prohibition was enacted by the Legislature because of alleged lack of understanding about the purposes of collision damage waivers by renters, and the potential abuse of lessors pressuring clients to purchase unnecessary waivers. In addition, your Committee finds that lessees are now more aware that their own vehicle insurance usually covers claims arising from rental car accidents, making purchases of waivers an option, rather than a necessity.

This bill proposes to continue the ban against vehicle rental companies and employees from receiving direct commissions on the sale of collision damage waivers, while allowing commissions to be received for the sale of collision damage waivers on an indirect basis.

Testimony in support of this bill was received from Catrala-Hawaii which represents vehicle rental and leasing companies. Testimony in opposition to this bill was received from the Department of Commerce and Consumer Affairs, which foresees pressures being put on consumers to purchase collision damage waivers, since the commissions will generate additional profits for companies and compensation for employees.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 642 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Okamura, Takai and Yoshinaga.  
(Representative Fox voted no.)

**SCRep. 479      Transportation on H.B. No. 714**

The purpose of this bill is to reduce inactive special number plate files.

Your Committee finds that counties have an overabundance of unused special number plates. There are many plates that are inactive because vehicles have been taken out of the state. Your Committee further finds that there are many plates in inventory waiting for reissuance or initial issuance.

This bill proposes to allow the Director of Finance of each county to discard and allow for new applications of inactive special number plates that have not been assigned or registered during the preceding three years.

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

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

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 480      Transportation on H.B. No. 1212**

The purpose of this bill is to address the needs of the cruise ship industry, which has experienced a large growth in Hawaii, and to increase Hawaii's share of the global cruise tour market.

Your Committee finds that the cruise ship industry contributed over \$200,000,000 to Hawaii's economy last year with an area that can accommodate only two ships. By constructing a cruise ship passenger terminal at Pier 2 in Honolulu Harbor, which would then allow a total of five ships to berth, Hawaii's economy would receive a tremendous boost with an estimated \$1,000,000,000 in-take per year by the year 2004.

This bill proposes to make an appropriation out of the revenues of the Harbor Special Fund for the planning, design, and construction of a cruise ship passenger terminal at Pier 2 at Honolulu Harbor.

Testimonies in support of this bill were received from the Department of Transportation, the Hawaii Community Development Authority, and the Chamber of Commerce of Hawaii. Matson Navigation Company, Inc. submitted testimony in support of the intent of the bill.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1212 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 481      Transportation on H.B. No. 1530**

The purpose of this bill is to create a similar statutory authority over drug-impaired drivers as one that was created for alcohol-impaired drivers in car collisions.

Your Committee finds that because there have been so many car collisions involving drivers under the influence of drugs, there is a need for authorities to be able to report findings that are not only alcohol-related, but drug-related as well. Your Committee also finds that the inclusion of drugs related to schedule V is necessary because these drugs are often found in drivers who are arrested for driving under the influence or are involved in car collisions.

This bill proposes to amend section 286-163, Hawaii Revised Statutes (HRS), by requiring health care providers to report a patient's blood drug content, as well as blood alcohol content, if it was found through regular testing that the content level meets or exceeds the amount specified in section 291-4 or 291-7 (HRS), provided that the patient was involved in a car collision. It also amends this section by including under the term "drug" any controlled substance as defined and enumerated on schedules I through V of chapter 329, (HRS). It also provides immunity for health care providers, persons giving the test, as well as institutions employing or utilizing such persons, from any civil liability resulting from their complying with this requirement.

Testimonies in support of this bill were received from the Department of Transportation and the Honolulu Police Department. Mothers Against Drunk Driving and a private citizen supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1530 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 482      Transportation on H.B. No. 1636**

The purpose of this bill is to further improve traffic enforcement by enhancing the operations of the demonstration projects established to apprehend drivers who run red lights or exceed posted speed limits.

Your Committee finds that the 1998 Legislature approved funding for demonstration projects, using photo speed imaging detector and red light imaging detector systems, to increase detections of and punishments for traffic violations and that other photo technologies are now available to produce photographic identification of vehicles violating traffic laws. Your Committee further finds that the delivery of traffic violation tickets in stopped vehicles by police officers is hazardous and increases, rather than decreases, traffic congestion.

This bill proposes to amend Act 234, Sessions Laws of Hawaii 1998, by allowing the use of other photo technologies, such as hand-held or mounted video cameras, conventional cameras, and digital cameras, other than photo speed imaging detectors and photo red light imaging devices, to produce photographic identification of vehicles that illegally cross longitudinal traffic lane markings. This bill also proposes to establish a system which dismisses the owner of the vehicle in question from fault if he or she was not the driver of the vehicle at that time. This bill also amends the Traffic Code to allow for the mailing of traffic citations to violators on access control roads to provide for greater enforcement of the traffic laws, reduce the potential for accidents, and speed up traffic flow.

Testimonies in support of this bill were heard from the Honolulu Police Department, State Farm Insurance, and two private citizens. The Department of Transportation supported the intent of the bill. The Judiciary submitted comments.

Your Committee has amended this bill by:

- (1) Allowing the use of signs to prohibit crossing a dotted line during specified hours;

- (2) Replacing the term "access control road" with "controlled access facility" for greater clarity;
- (3) Eliminating restrictions on early morning and early evening use of a photo technology system to ensure more effective traffic enforcement;
- (4) Clarifying that a contractor may issue a citation or summons with the same legal status as those mailed by police officers;
- (5) Allowing the registered owner of the vehicle to rebut evidence of violation by submitting a written statement that the vehicle in question was a rental or U-drive vehicle; and
- (6) Making other technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1636, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1636, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 483      Transportation on H.B. No. 730**

The purpose of this bill is to improve the flow of traffic on the State's highways.

Your Committee finds that heavy trucks often congest the roadways by not traveling in the right-most lane when they are moving at speeds slower than the cars around them.

This bill proposes that all slower traffic, including heavy trucks, use the right lane of multilane highways by rules adopted in accordance with chapter 91, Hawaii Revised Statutes (HRS). The appropriate signs and such notification tools shall direct slower traffic to use the right lane, except for passing.

Testimony in support of the intent of this bill was heard from the Department of Transportation, which pointed out that signs stating "Slow Traffic Keep Right" are already posted on parts of their facilities and that chapter 291C-41(b), HRS, requires vehicles traveling slower than the normal speed of traffic to use the right lane.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 730 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 484      Tourism on H.B. No. 821**

The purpose of this bill is to require the Convention Center Authority (CCA) to allow local bookings if there are no out-of-state bookings within a 60-day period of the date of the local booking.

Testimony in favor of this measure was received from the Representative of the 42nd Representative District. The CCA testified in support of the bill's intent and provided comments on the CCA's efforts to develop a policy for local use of the convention center. Hawaii Hotel Association (HHA) commented that while HHA supports the intent of the bill, it recommends that the committee hold the measure.

Your Committee has amended this bill by:

- (1) Changing the legislative findings and clarifying the purpose of the bill; and
- (2) Authorizing, rather than requiring, CCA to allow qualified local bookings at the convention center; provided there are no out-of-state bookings within a 180-day period of the date of the local booking.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 821, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 821, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kaho'ohalahala and Saiki.

**SCRep. 485      Consumer Protection and Commerce and Judiciary and Hawaiian Affairs on H.B. No. 547**

The purpose of this bill is to educate the public and to increase the numbers of organ and tissue donors in Hawaii by amending Hawaii's Uniform Anatomical Gift Act to require, among other things, that all acute care hospitals at or near the time of every death to report to the Organ Procurement Organization (OPO) to determine suitability for organ donation of the individual in question.



Testimony in support of this bill was received from Hawaii Nurses' Association, the Organ Donor Center, the National Kidney Foundation of Hawaii, St. Francis Medical Center, Healthcare Association, and numerous interested individuals including organ donors and recipients. The Department of Health supported the intent of the bill but expressed serious concerns about additional costs that may be incurred by having the Advisory Committee under the Department's administrative umbrella. Lieutenant Governor Mazie Hirono supported the intent of the bill but does not believe it necessary to require by statute that the Lieutenant Governor actively promote this effort or to administer a special fund.

Your Committees find that this bill will increase the number of patients given the opportunity to donate organs, expand public awareness and education on this life-saving issue, and establish protocols sensitive to religious and family concerns surrounding organ donation. For purposes of clarity and style, your Committees have made technical, nonsubstantive amendments to the bill.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 547, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 547, H.D. 2.

Signed by all members of the Committees except Representatives Chang, Hiraki, Takumi, Yoshinaga, Pendleton and Thielen.

**SCRep. 486 Consumer Protection and Commerce and Judiciary and Hawaiian Affairs on H.B. No. 850**

The purpose of this bill, as received, is to extend until December 31, 1999, the amnesty period for uninsured motorists to purchase insurance coverage without incurring insurance surcharges, and to expand the scope of amnesty by adding two grounds, imposition of delinquent county vehicular tax and operating a vehicle without a certificate of inspection, to the original ground for amnesty. This bill also removes, as a basis for automatic license suspension, the conviction for driving without a valid motor vehicle insurance policy.

Testimony in opposition to the bill was received from the Department of Commerce and Consumer Protection (DCCA), State Farm Insurance Companies and the Honolulu Police Department.

An interested individual submitted testimony in support of the bill.

Your Committees deem it a worthy goal to encourage uninsured motorists to procure insurance coverage, and believe that extending the amnesty period until December 31, 1999 will promote this goal. However, your Committees find that the original intent of the statute was to grant amnesty for insurance surcharges attributable solely to failure to maintain no-fault or motor vehicle insurance, and find no compelling reason to extend the scope of the amnesty. Accordingly, your Committees have amended the bill to retain only the original ground for amnesty.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 850, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 850, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chang, Hiraki, Takumi, Yoshinaga, Pendleton and Halford.

**SCRep. 487 Consumer Protection and Commerce on H.B. No. 622**

The purpose of this bill is to change required mammographic screening coverage for women ages 40 through 49 under health care services policies, contracts, plans, and agreements, from every two years, to annually.

The Department of Commerce and Consumer Affairs (DCCA), Department of Health, Hawaii State Commission on the Status of Women, Hawaii Catholic Conference, Hawaii Nurses' Association, American Cancer Society, and Kaiser Permanente (Kaiser), testified in support of this measure.

Kaiser stated that a regular mammography screening can dramatically reduce mortality from breast cancer, and the ACS testified that it recommended that all women over 40 have annual mammograms.

DCCA suggested an amendment, testifying that it had been advised by the Attorney General that the statutory schedule of mammography screening under this bill would supersede any new schedule of mammography screening adopted through rulemaking. DCCA recommended either removing the statutory schedule, or eliminating the DCCA's rulemaking authority.

Upon consideration of this bill, your Committee has amended this measure to retain the statutory schedule for mammography screening and to excise the DCCA's rulemaking authority. Your Committee has also made technical amendments to the insurance provisions amended by the bill as suggested by the DCCA and 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 H.B. No. 622, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 622, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Takumi, Yoshinaga and Thielen.

**SCRep. 488 Consumer Protection and Commerce on H.B. No. 749**

The purpose of this bill is to establish a licensure program for dietitians that restricts the use of the title "licensed dietitian" to those persons meeting specified educational and other requirements.

More than 70 persons and organizations submitted testimony supporting this measure, approximately one-third of which were registered dietitians, with the remainder being physicians, pharmacists, health care administrators, and private citizens. Testimony opposing this bill was received from three private citizens and the Vocational Licensing Division of the Department of Commerce and Consumer Affairs (DCCA).

From the testimony submitted, your Committee gathers that there is a need to provide the public assistance in identifying those who are qualified to provide reliable and accurate nutrition information. There was testimony from physicians and other health care professionals that nutrition plays a critical role in the prevention and treatment of the most prevalent chronic illnesses and diseases in Hawaii, including obesity, hypertension, diabetes, and cardiac and renal diseases, and that misinformation about nutrition may result in physical harm. In addition, the amount of misinformation available in the community has increased with the growing awareness of the importance of diet in maintaining health. Testifiers stated that persons who are particularly vulnerable to misinformation are the elderly, the chronically ill with conditions causing pain and suffering, and persons discharged from hospitals under early release policies, with intravenous and other life-saving devices. There was testimony that to date, more than 40 documented cases of harm related to unsound dietetic practice have occurred in Hawaii. Testifiers stated that anyone can purport to be a dietitian in Hawaii, and that credentials used by persons practicing in the field may include up to 13 different credentials such as, "CNC" and "NMD," some of which are granted by unaccredited sources.

DCCA objected to the licensing terminology used by the bill, stating that requirements for licensure under this bill were identical to those for registered dietitians, and therefore, that certification would be the more appropriate term. DCCA testified that under a regulatory scheme recognized by the national Council on Licensure, Enforcement and Regulation, the Legislative Auditor, and DCCA, minimum standards for licensure should generally exceed those of a private credentialing agency, and:

- (1) Licensure is a process by which a government agency grants individuals permission to engage in a specified profession; and
- (2) Certification is a form of regulation that grants legal use of a designated title to individuals who have met predetermined qualifications, where noncertified individuals may still offer similar services to the public but may describe themselves as being certified.

DCCA suggested that the term "licensed" be changed to "certified."

Your Committee believes that it would be beneficial to move this measure along to allow further discussion, and requests the Committee on Finance to examine the issue of certification versus licensure. Your Committee has amended this bill to delete its exemption provisions, which, contrary to the title protection intended under this bill, imply that licensure is required to practice dietetics. In addition, technical, nonsubstantive amendments have been made for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 749, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 749, H.D. 2.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Takumi, Yoshinaga and Thielen.

**SCRep. 489 Consumer Protection and Commerce on H.B. No. 894**

The purpose of this bill is to:

- (1) Require health insurance policies to provide reimbursement for emergency helicopter aeromedical services; and
- (2) Require the Legislative Auditor to conduct a study assessing the impact of mandating the reimbursement.

Testimony in support of the measure was submitted by the Department of Health. The Department of Commerce and Consumer Affairs and a private health plan provider submitted comments.

Your Committee finds that the term "reasonable" as it relates to reimbursement of services lacks clarity and could be confusing.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the term "reasonable" where it appears with respect to reimbursement for services; and
- (2) Making technical, nonsubstantive revisions to the specific provisions of the insurance code amended, and 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 H.B. No. 894, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 894, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Herkes, Hiraki, Yoshinaga and Rath.

**SCRep. 490      Culture and the Arts on H.B. No. 317**

The purpose of this bill is to improve the operations of the Honolulu Symphony Orchestra.

Testimony in support of this bill was received from the Musicians' Association of Hawaii, Hawaii State AFL-CIO, and the Honolulu Symphony.

The State Foundation on Culture and the Arts (SFCA) submitted testimony opposing the bill. The SFCA concern was that the income and capital gains from the fund should be used for the benefit of the musicians of the Honolulu Symphony. The SFCA also testified that the endowment fund was funded by the taxpayers, therefore the fund should be monitored and transfers of the income and capital gains should be overseen by a state agency.

Your Committee finds that the mechanism adopted by Act 175, Session Laws of Hawaii 1995, which administers the endowment fund proceeds is no longer needed since the these proceeds are now being directed to the Honolulu Symphony Orchestra.

Your Committee has amended the bill by:

- (1) Declaring that the income and capital gains from the state endowment fund be used for the performance of symphonic music by the Honolulu Symphony Orchestra; and
- (2) Requiring that the fund manager and the Honolulu Symphony Orchestra shall annually provide a copy of an external audit and financial report to the SFCA and to the Department of Accounting and General Services; and
- (3) Adding a restriction that the fund manager and the board of trustees will administer the fund consistent with chapter 517D (UMIFA); 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 Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 317, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 491      Human Services and Housing and Health on H.B. No. 630**

The purpose of this bill is to create a Healthy Start Special Fund (Fund):

- (1) Into which shall be deposited a percentage of the annual appropriations made to each of four departments; and
- (2) To be used for programs relating to preconceptual, perinatal, early intervention, and family services to age five.

The Office of Hawaiian Affairs, the Hawaii Family Support Center, and Healthy Mothers Healthy Babies submitted testimony in support of this measure.

The Department of Budget and Finance submitted testimony in opposition to this measure, specifically opposing:

- (1) The earmarking of general funds for a specific program;
- (2) Lack of a clear link between the source of funding and the beneficiaries of the program funded; and
- (3) The ability of the program created to be self-sustaining and fully fund the level of program activities and costs.

Your Committees have amended this measure by:

- (1) Providing that the Fund created shall be a line item in the budget;
- (2) Designating that the Fund be funded by percentages of the annual appropriations from the Departments of Health, Human Services, Education, and Public Safety;
- (3) Providing that the funding from each department be designated and deposited prior to the release of appropriations to that department; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 630, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 630, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Kahikina.

**SCRep. 492 Human Services and Housing on H.B. No. 279**

The purpose of this bill is to appropriate funds to be expended by the Department of Human Services (DHS) to implement a rehabilitation program for members of gangs.

Adult Friends for Youth, teachers, principals, and counselors from various intermediate and high schools submitted testimony in support of this measure.

DHS submitted testimony expressing general support for programs and activities servicing youth-at-risk but withheld support for funding requests beyond the executive budget.

Your Committee has amended this measure by making the appropriation amount \$1 for purposes of 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 is in accord with the intent and purpose of H.B. No. 279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 279, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 493 Human Services and Housing on H.B. No. 1369**

The purpose of this bill is to prevent homelessness by appropriating funds to the Housing and Community Development Corporation of Hawaii (Corporation) to provide loans to families for rental deposits, emergency rental payments, and mortgage payments to avoid foreclosure.

The Affordable Housing and Homeless Alliance submitted testimony in support of this measure. The Corporation submitted testimony in support of the intent of this measure, but could not support the appropriation since it was not consistent with the State's Executive Budget request.

Your Committee finds that the Corporation is already authorized to provide loans and grants to families to avoid foreclosures. However, due to fiscal constraints, the Corporation was unable to fulfill these services. Your Committee acknowledges that more funding is necessary to prevent families from becoming homeless.

Your Committee has amended this measure by:

- (1) Adding a findings and purpose section to describe the current situation;
- (2) Replacing the appropriation with \$1 for purposes of further discussion;
- (3) Authorizing the Corporation to provide grants, as well as loans, to families; 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1369, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1369, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 494 Human Services and Housing on H.B. No. 643**

The purpose of this bill is to authorize the state committee of blind vendors to expend moneys from the Randolph-Sheppard revolving account for the hiring of private attorneys.

Specifically, this bill amends section 347-12.5, Hawaii Revised Statutes, to add the hiring of private attorneys to the uses authorized for the Randolph-Sheppard revolving account and further authorizes the Director of Human Services to transfer up to \$30,000 annually from the account to a checking account in the name of the state committee of blind vendors for its use. Finally, a report and annual accounting of the funds transferred must be submitted to the Director of Human Services and the Legislature no later than sixty days following the close of each fiscal year.

Your Committee wishes to note that, during the discussion on this bill, the need was raised to have the state committee of blind vendors review and approve the transfer and use of any moneys as required by the bill for the stated purposes.

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

- (1) Subject the use of moneys from the Randolph-Sheppard revolving account for the hiring of private attorneys to the condition that, beginning July 1, 1999, any moneys deposited in the account that are derived from vending machine income must be identified as to whether the income is generated from federal, as opposed to state or county operations, and that all federal-source moneys must be segregated into a federal-source subaccount; and
- (2) Prohibit the transfer or use of moneys from the federal-source subaccount for the hiring of private attorneys.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 643, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 495 Human Services and Housing on H.B. No. 902**

The purpose of this bill is to prevent homelessness by:

- (1) Setting homeless shelter stipends at emergency shelters at \$20 per bed per night; and
- (2) Appropriating \$1,500,000 for the stipends.

Ka Hale A Ke Ola Homeless Resource Center, Catholic Charities, and the Health Care for the Homeless Project submitted testimony in support of this measure. The Institute for Human Services and the Affordable Housing and Homeless Alliance submitted testimony in support of the intent of this measure. The Housing and Community Development Corporation of Hawaii submitted testimony in support of the intent of this measure as long as it does not compromise the State's Executive Budget request.

Your Committee finds that while raising the stipend rate from the current \$13 per shelter bed per night to \$20 per shelter bed per night is welcome, this is not the priority of emergency shelters. Instead, available funds should be used for transitional housing projects and the Emergency Grant and Loan Program (Program) as it would better meet the needs of the homeless.

Your Committee further finds that other services for the homeless are necessary, such as classes on parenting, violence prevention, and child safety, and recognizes the need for more resources.

Your Committee has amended this measure by:

- (1) Replacing the appropriation with \$1 for purposes of further discussion;
- (2) Adding a findings and purpose section;
- (3) Deleting the provision that sets homeless shelter stipends at emergency shelters at \$20 per night;
- (4) Appropriating funds to transitional housing projects and the Program; 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 is in accord with the intent and purpose of H.B. No. 902, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 902, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 496 Human Services and Housing on H.B. No. 1122**

The purpose of the bill, as received by your Committee, is to broaden the scope of the financial assistance benefits which revert back to the State under certain circumstances.

Testimony in support of the measure was submitted by the Department of Human Services (DHS).

Your Committee finds that when such unclaimed balances are recovered, they should revert back to DHS instead of to the State general fund.

Therefore, your Committee has amended the measure by requiring that the unclaimed balances revert back to the program's appropriation from which the funds were expended.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1122, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 497      Human Services and Housing on H.B. No. 1693**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for a senior citizen lifecare retirement community.

Graham Murata Russell and Honolulu Neighborhood Housing Services, Inc., testified in support of the bill.

Your Committee finds that as the population ages, the State has an ever-increasing need for retirement communities with full lifecare services. The development of such facilities, therefore, is in the public interest.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1693 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 498      Economic Development and Business Concerns on H.B. No. 118**

The purpose of this bill is to exempt all services exported out of the State from paying general excise tax.

General comments regarding tax reform were provided by the Department of Taxation, the AIA Hawaii State Council, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, the League of Women Voters of Hawaii, the National Federation of Independent Business Hawaii, the Small Business Economic Revival Force, the Tax Foundation of Hawaii, and three individuals.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 118 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 499      Economic Development and Business Concerns on H.B. No. 121**

The purpose of this bill is to:

- (1) Increase income tax deductions for businesses, raising meal and entertainment deductions from 50% to 100%; and
- (2) Allow club dues as business deductions.

The Legislative Information Services of Hawaii and the Tax Bill Service provided testimony in support of this bill.

General comments regarding tax reform were provided by the Department of Taxation, the AIA Hawaii State Council, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, the League of Women Voters of Hawaii, the National Federation of Independent Business Hawaii, the Small Business Economic Revival Force, the Tax Foundation of Hawaii, and three individuals.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 121 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 500      Economic Development and Business Concerns on H.B. No. 129**

The purpose of this bill is to establish a 3% general excise tax on the sale of supplies and equipment used in the operation of the business, are not for resale, and are sold from a licensed taxpayer to another licensed taxpayer.

General comments regarding tax reform were provided by the Department of Taxation, the AIA Hawaii State Council, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, the League of Women Voters of Hawaii, the National Federation of Independent Business Hawaii, the Small Business Economic Revival Force, the Tax Foundation of Hawaii, and three individuals.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 129 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 501 Economic Development and Business Concerns on H.B. No. 190**

The purpose of this bill is to reduce the rate of general excise tax rate on businesses not covered under other provisions of section 237-139(10), HRS, from 4% to 3%.

General comments regarding tax reform were provided by the Department of Taxation, the AIA Hawaii State Council, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, the League of Women Voters of Hawaii, the National Federation of Independent Business Hawaii, the Small Business Economic Revival Force, the Tax Foundation of Hawaii, and three individuals.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 190 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 502 Economic Development and Business Concerns on H.B. No. 209**

The purpose of this bill is to define the sale of certain condiments and packaging to retail merchants as a sale for wholesale.

McDonald's Corporation testified in support of this bill.

General comments regarding tax reform were provided by the Department of Taxation, the AIA Hawaii State Council, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, the League of Women Voters of Hawaii, the National Federation of Independent Business Hawaii, the Small Business Economic Revival Force, the Tax Foundation of Hawaii, and three individuals.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 209 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 503 Economic Development and Business Concerns on H.B. No. 1360**

The purpose of this bill is to establish an income tax credit for the construction and renovation of qualified commercial facilities.

Testimony in support of this bill was submitted by Hawaiian Dredging Construction Company, Hilton Hawaiian Village, Louis Vuitton Hawaii, Retail Merchants of Hawaii, the Painting and Decorating Contractors Association of Hawaii, the Painting Industry of Hawaii Labor Management Cooperation Fund, and the Queen Emma Foundation.

General comments regarding tax reform were provided by the Department of Taxation, the AIA Hawaii State Council, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, the League of Women Voters of Hawaii, the National Federation of Independent Business Hawaii, the Small Business Economic Revival Force, the Tax Foundation of Hawaii, and three individuals.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1360 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 504 Economic Development and Business Concerns on H.B. No. 505**

The purpose of this bill is to:

- (1) Authorize the governor to designate up to eight renaissance zones in the state;

- (2) Establish the renaissance review board;
- (3) Exempt persons operating within renaissance zones from income and general excise taxes up to 100%; and
- (4) Requires the Department of Business and Economic Development and Tourism to submit an annual report on the economic effects of this program.

General comments regarding tax reform were provided by the Department of Taxation, the AIA Hawaii State Council, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, the League of Women Voters of Hawaii, the National Federation of Independent Business Hawaii, the Small Business Economic Revival Force, the Tax Foundation of Hawaii, and three individuals.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 505 and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use.

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

**SCRep. 505 Economic Development and Business Concerns and Transportation on H.B. No. 1028**

The purpose of this bill is to:

- (1) Remove the restriction placed on the Aloha Tower Development Corporation's ability to develop Irwin Park;
- (2) Appropriate funds to acquire the reversionary interest in Irwin Park retained by the heirs of Helene Irwin Fagan; and
- (3) Allow the Corporation's executive officer to appoint personnel consistent with other redevelopment authorities.

Testimony in support of this bill was submitted by the Department of Transportation, the Aloha Tower Development Corporation, the Aloha Tower Limited Partnership, and the Chamber of Commerce of Hawaii.

Testimony in opposition to this bill was submitted by Scenic Hawaii, Inc., Na Leo Pohai, and one individual.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1028, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1028, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ahu Isa, Saiki and Yoshinaga.

**SCRep. 506 Economic Development and Business Concerns and Tourism on H.B. No. 243**

The purpose of this bill is to authorize the natural energy laboratory to include retail and commercial activities within a research and technology park.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism, the Natural Energy Laboratory of Hawaii Authority Program, and the Hawaii Aquaculture Association.

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 are in accord with the intent and purpose of H.B. No. 243 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ahu Isa, Saiki, Fox and Halford.

**SCRep. 507 Economic Development and Business Concerns and Tourism on H.B. No. 1266**

The purpose of this bill is to provide tax incentives for the construction of hotel, time share project developments, resort developments, and other retail sales projects by exempting such projects from the general excise tax.

Testimony in support of this bill was provided by the Hawaii Hotel Association.

General comments regarding tax reform were provided by the Department of Taxation, the AIA Hawaii State Council, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, the League of Women Voters of Hawaii, the National Federation of Independent Business Hawaii, the Small Business Economic Revival Force, the Tax Foundation of Hawaii, and three individuals.

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 are in accord with the intent and purpose of H.B. No. 1266 and recommend that it pass Second Reading and be referred to the Committee on Finance.



Signed by all members of the Committees except Representatives Ahu Isa, Saiki, Fox and Halford.

**SCRep. 508      Judiciary and Hawaiian Affairs on H.B. No. 274**

The purpose of this bill is to protect children from abuse and neglect.

Testimony in support of this bill was received from the State Department of Health, the Department of Human Services, and the City and County of Honolulu Police Department.

Testimony in opposition to this bill was received from the Department of Commerce and Consumer Affairs and the Judiciary. The Department of Commerce and Consumer Affairs opposed the H.D. 1 amendment requiring the Department of Commerce and Consumer Affairs to regulate the training and licensing of guardian ad litem. The Judiciary opposed the licensing requirement for volunteer guardian ad litem.

Your Committee finds that child abuse and neglect are often contributing factors in many serious social problems affecting the citizens of this State, including emotional and mental health, alcohol and drug abuse, and crime. Your Committee finds that the provisions of this bill are responsive to the dire need to prevent child abuse and neglect in the State of Hawaii.

Your Committee has amended H.B. No. 274, H.D.1, as follows:

- (1) Eliminating proposed H.R.S. Section 587-34(f) relating to the licensing and training of guardians ad litem;
- (2) Adding an appropriations clause; 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 Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 274, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 274, H.D. 2.

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

**SCRep. 509      Judiciary and Hawaiian Affairs on H.B. No. 500**

The purpose of this bill is to allow nonresident aliens to bring firearms into the State for recreational purposes.

Testimony in support of the measure was received from the Board of Land and Natural Resources, the City and County of Honolulu Police Department, the Hawaii Rifle Association, and Hawaii Citizens' Rights PAC.

Your Committee finds that there is a need to expand our visitor industry by developing niche markets such as recreational hunting. Your Committee believes that this measure provides the necessary safeguards to protect our citizenry while allowing residents of other states or foreign countries to participate in Hawaii's recreational shooting and game hunting events.

Your Committee has amended this bill by:

- (1) Changing the period from sixty to ninety days for which a nonresident alien is allowed to bring a firearm into the state; and
- (2) Clarifying that a person requesting to bring firearms into the state must, among other things, provide written notification from a firing range or target shooting business indicating that the person will actually engage in target shooting.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 500, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 500, H.D. 2.

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

**SCRep. 510      Judiciary and Hawaiian Affairs on H.B. No. 706**

The purpose of this bill is to suspend the succession provision of homestead leases under a mortgage, for the duration of the loan.

Testimony in support of this bill was received from the Board of Land and Natural Resources. Additional comments were submitted by the Office of Hawaiian Affairs.

Your Committee finds that many homestead lessees encounter difficulty securing loans to fund improvements to their land. Financial institutions are unwilling to lend lessees on homestead land because the applicants do not own the land and the succession provision prevents the land from being used as security for the loan.

Your Committee has amended this bill by making technical and non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 706, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 706, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Morita and Yoshinaga.

**SCRep. 511      Judiciary and Hawaiian Affairs on H.B. No. 967**

The purpose of this bill is to strengthen the College of Hawaiian Language (CHL) by:

- (1) Allowing CHL to contract in the Hawaiian language directly with providers; and
- (2) Including CHL with all other units of the University of Hawaii (UH) relative to the receipt and expenditure of general funds.

Testimony in support of this bill was received from the Office of Hawaiian Affairs, University of Hawaii at Hilo, and Hale Kuamo'o Hawaiian Language Center.

Your Committee finds that the CHL has proven it is an important part of the UH system and that it deserves general funding to the same extent that all other UH programs and students do. Your Committee also finds that CHL should be accorded the freedom to carry out its business with the private and public sectors in the Hawaiian language.

Your Committee has amended this bill by:

- (1) Retaining the word shall on page 2, line 13; and
- (2) Making technical and non-substantive changes for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 967, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 967, H.D. 2.

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

**SCRep. 512      Judiciary and Hawaiian Affairs on H.B. No. 727**

The purpose of this bill is to allow the courts to grant probation in tax evasion cases.

Testimony in support of the measure was received from the Department of Taxation, the Hawaii State Bar Association, Tax Division, the Hawaii Society of Certified Public Accountants, and members of the public. Additional testimony was received from the Tax Foundation of Hawaii.

Your Committee finds that current laws do not give courts the option to place taxpayers on probation. Your Committee believes that this option will allow the courts to maintain jurisdiction over taxpayers to ensure that payments of back taxes due are remitted to the State.

Your Committee has amended this bill by:

- (1) Clarifying that the court may assess a fine, imprisonment, probation or any combination thereof; 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 and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 727, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 727, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Morita and Yoshinaga.

**SCRep. 513      Judiciary and Hawaiian Affairs on H.B. No. 986**

The purpose of this bill is to clarify procedures to protest contract awards under the procurement code.

Testimony in support of this bill was received from the Department of Accounting and General Services.

Your Committee finds that these housekeeping measures are necessary for the administration of the procurement process.

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 Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 986, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 514      Judiciary and Hawaiian Affairs on H.B. No. 989**

The purpose of this bill is to appropriate funds to satisfy claims for legislative relief, judgements against the State, settlements, and miscellaneous claims.

The Attorney General testified in support of this measure and reported that two additional claims have been resolved.

Your Committee has amended the bill by adding appropriations for these two additional claims.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 989, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 989, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 515      Judiciary and Hawaiian Affairs on H.B. No. 990**

The purpose of this bill is to provide an emergency appropriation to fund personnel costs for the Individual Claims Unit for the remaining four-month period of fiscal year 1998-99.

Testimony in support of this bill was received from the Office of the Attorney General and the Department of Hawaiian Home Lands. Comments were also received from the Waimea Hawaiian Homesteaders' Association.

Your Committee finds that continued legal services are vital to the effective operation of the Hawaiian Home Lands Individual Claims Unit.

Your Committee has amended the bill making technical and non-substantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 990, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 990, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Morita, Yoshinaga and Thielen.

**SCRep. 516      Judiciary and Hawaiian Affairs on H.B. No. 992**

The purpose of this bill is to allow numbers other than social security numbers to be used on State issued identification cards, and to change the information appearing on these identification cards.

Testimony in support of this bill was received from the State Attorney General.

Your Committee finds that in recent years citizens have expressed a growing concern over the display of social security numbers on state identification cards. Many citizens harbor fears of potential fraudulent use of their identification. Your Committee finds that this bill will allay those fears and minimize identity theft.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 992 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 517      Judiciary and Hawaiian Affairs on H.B. No. 993**

The purpose of this bill is to permit effective recovery of money owed the State by debtors who own land court property.

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

Your Committee finds that the provisions of this bill will assist with the efficient recovery of money owed the State.

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 Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 993, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 993, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 518      Judiciary and Hawaiian Affairs on H.B. No. 8**

The purpose of this bill is to prohibit the use of social security numbers as identification numbers on driver's licenses.

Testimony in support of this bill was received from the State Office of Information Practices, the Department of Commerce and Consumer Affairs, the Department of Transportation, the City and County of Honolulu Department of Customer Services, and several concerned individuals.

Your Committee finds that there is growing concern in the community over identity theft and fraud arising therefrom. Your Committee finds that prohibiting the use of social security numbers on driver's licenses will address and assist in alleviating this concern.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 8, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 519      Judiciary and Hawaiian Affairs on H.B. No. 164**

The purpose of this bill is to propose an amendment to Article III, section 6 of the State Constitution to require that a candidate for state legislative office be a registered voter in the district the candidate seeks to represent prior to filing nomination papers.

Testimony in support of this bill was received from the Office of Elections, Common Cause Hawaii and the League of Women Voters.

Your Committee finds that this bill will reduce the ability of a candidate to seek office in a particular district based solely on the candidate's chance of success. This bill will also improve public confidence in the election process by increasing the likelihood that candidates will be more knowledgeable and representative of the community from which they seek public office.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 164 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 520      Judiciary and Hawaiian Affairs on H.B. No. 166**

The purpose of this bill is to require a reporting of campaign contributions aggregating in excess of \$500, which are made or received within the period fifteen calendar days through three calendar days prior to an election, in addition to any other reporting required by law.

Testimony on this bill was received from the Campaign Spending Commission, Hawaii Clean Elections Coalition, Common Cause Hawaii and the League of Women Voters of Hawaii.

Your Committee finds that establishing a disclosure requirement for campaign contributions made late in an election will enable the public to determine the source of a candidate's funds in a timely manner.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 166 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 521      Judiciary and Hawaiian Affairs on H.B. No. 20**

The purpose of this bill is to increase judicial salaries by four percent effective July 1, 1999, and by an additional four percent effective July 1, 2000.

Testimony in support of this bill was received from the Judiciary, American Judicature Society, Hawaii State Bar Association, Hawaii Women Lawyers, United Public Workers, and several private citizens. Additional testimony was received from Common Cause Hawaii, favoring increasing judicial salaries only if pension benefits are also amended accordingly.

Hawaii's judges have not had an increase in salary since 1990. Your Committee finds that adequate compensation is required to attract and retain experienced and qualified attorneys to serve as justices and judges in state courts. Although public service and sacrifice are to be expected, Hawaii's judges also deserve to be compensated in an equitable manner.

Accordingly, your Committee has amended this measure by:

- (1) Increasing judicial salaries by 27 percent: a 14 percent increase effective July 1, 1999, followed by an additional 13 percent increase effective July 1, 2000;
- (2) Eliminating the early retirement provision for judges, including the provision allowing judges to retire whenever the member's allowance reaches 75 percent of the member's average final compensation;
- (3) Ensuring that changes to the early retirement provision will not adversely affect the accrued rights of current judges as of June 30, 1999, and individuals who are or were members of the Employees' Retirement System and who accrued benefits as judges before July 1, 1999; 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 and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 20, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 20, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 522      Judiciary and Hawaiian Affairs on H.B. No. 71**

The purpose of this bill is to:

- (1) Amend campaign spending and disclosure laws to include contributions made to committees for ballot issues.
- (2) Provide that organizations that raise or expend funds for the purposes of informational and educational advertising are not "committees" subject to campaign contribution and expenditure laws.
- (3) Amend the dates on which preliminary reports must be filed with the commission.
- (4) Repeal short form reporting.

Testimony in support of the bill was received from the Campaign Spending Commission, Hawaii Clean Elections, Common Cause Hawaii, and the Green Party Hawaii.

Your Committee finds that the reforms included in this bill will comprehensively enhance and clarify campaign spending laws for individuals, committees, and political parties.

Your Committee has amended this bill by:

- (1) Deleting the exemption for organizations which raise money for the sole purpose of the production and dissemination of informational and educational advertising;
- (2) Requiring that each candidate or candidate committee register with the Campaign Spending Commission within ten days of any contribution or expenditure; and
- (3) Making technical, non-substantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 71, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 71, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 523      Judiciary and Hawaiian Affairs on H.B. No. 72**

The purpose of this bill is to amend the State's campaign spending laws concerning the voluntary expenditure limit and public matching fund program.

Your Committee received testimony in support of this bill from the Campaign Spending Commission, Common Cause Hawaii and the League of Women Voters of Hawaii.

Your Committee finds that reform of the law concerning campaign expenditure limits is necessary. This bill clarifies those provisions of the law concerning the voluntary expenditure limit and public matching fund program. This bill further clarifies the definition of a "qualifying campaign contribution."

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

- (1) Modifying the definition of "Qualifying Campaign Contribution"; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 72, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 72, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 524      Judiciary and Hawaiian Affairs on H.B. No. 161**

The purpose of this bill is to provide a mechanism by which the state may recover costs associated with search and rescue operations.

Testimony in support of this bill was received from the Department of Defense. Additional testimony was received from Boats/Hawaii, Inc.

Your Committee finds that individuals frequently choose to ignore warnings posted by state and county public safety officials. As a result, these same individuals will often require emergency assistance, thereby putting rescuers at serious risk of harm while costing the taxpayers of this State thousands of dollars in associated search and rescue costs.

Your Committee further finds that individuals who proceed with activities, which violate federal, state, or county laws or ordinances or persons who ignore official posted warnings, should be held fiscally accountable for their actions.

Your Committee has amended this bill by:

- (1) Exempting boaters from the provisions of this bill as this group is already governed by existing federal maritime laws; 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 and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 161, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 525      Judiciary and Hawaiian Affairs on H.B. No. 163**

The purpose of this bill is to increase the fee for jury duty service from \$30 to \$40 per day and to increase the mileage fee for jury duty service from 33 cents to 37 cents per mile.

Testimony in support of this bill was received from the Hawaii State Bar Association, Common Cause Hawaii, and a concerned citizen. Additional testimony was received from the Judiciary.

Your Committee finds that the fee for jury duty service should be increased to fairly compensate jurors for their service. Jury duty mileage fees should also be increased to mirror federal juror mileage fees.

Your Committee has amended this bill by inserting an appropriation of \$660,000 to provide for the increase in fees for jury duty service and mileage.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 163, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 163, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 526      Judiciary and Hawaiian Affairs and Public Safety and Military Affairs on H.B. No. 157**

The purpose of this bill is to reduce prison overcrowding by appropriating funds for programs authorized by Act 25, Special Session Laws of Hawaii (SSLH) 1995.

The Judiciary, the Government Efficiency Teams, Inc., the American Civil Liberties Union, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of Health, the Hawaii Paroling Authority, and members of the public supported this measure.

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

- (1) Deleting the appropriation for the electronic monitoring and surveillance program;
- (2) Establishing a new program to be known as "Halfway In, Halfway Back," a transitional release program for inmates who are in the last six months of release; and
- (3) Making other technical, nonsubstantive amendments for purposes of style and clarity.

Your Committees find that rehabilitation programs that educate and prepare persons awaiting trial after conviction, incarcerated, or on parole, are critical to the future well-being of the community. This measure continues funding for such programs and promotes the use of alternatives to incarceration with the goal of preventing further incarceration.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. 157, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 157, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Cachola, Hiraki, Yoshinaga and Whalen.

**SCRep. 527      Judiciary and Hawaiian Affairs on H.B. No. 1117**

The purpose of this bill is to conform Chapter 587, Hawaii Revised Statutes, with the Adoption and Safe Families Act of 1997.

Testimony in support of this bill was received from the Judiciary, and the State Department of Human Services.

Your Committee finds that the proposed measures of this bill will expedite decision making in child welfare cases, as required by federal law. Your Committee finds that the proposed definition of "abandoned infant" is necessary to comply with federal mandate.

Your Committee has amended H.B. No. 1117, H.D. 1 as follows:

- (1) By modifying the definitions of "abandoned infant" and "aggravated circumstances"; and
- (2) By adding a provision to clarify that nothing in Section 587-71, Hawaii Revised Statutes, shall prevent a court from setting a show cause or permanent plan hearing at any time.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1117, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1117, H.D. 2.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 528      Judiciary and Hawaiian Affairs on H.B. No. 1037**

The purpose of this bill is to provide an emergency appropriation to allow the Unclaimed Property Program to pay all claims made by owners of abandoned property during the current fiscal year.

Testimony in support of this bill was received from the Department of Budget and Finance.

Your Committee finds that a \$1,000,000 emergency appropriation is necessary to pay claims on a timely basis.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1037 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 529      Judiciary and Hawaiian Affairs on H.B. No. 1448**

The purpose of this bill is to increase the number of circuit court judges in the Fifth Circuit from one to two judges.

Testimony in support of this bill was received from the Judiciary.

Your Committee finds that the Fifth Circuit is in need of another circuit court judge, as there has been a dramatic increase in the number of actions filed in the Fifth Circuit.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1448 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 530      Judiciary and Hawaiian Affairs on H.B. No. 1000**

The purpose of this bill is to repeal Section 652-14, Hawaii Revised Statutes regarding notification to garnishee debtors of garnishments made.

Testimony in support of this bill was received from the Department of the Attorney General, Financial Services Association, Medcah Incorporated, Select Consulting Service, Pacific Collections, State Wide Collections, and two concerned individuals.

Testimony in opposition to this bill was received from a concerned individual.

Your Committee finds that the provisions of this statute, are no longer necessary to ensure proper notification to garnishee debtors of garnishments made.

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 Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1000, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1000, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Morita and Yoshinaga.

**SCRep. 531      Judiciary and Hawaiian Affairs on H.B. No. 1001**

The purpose of this bill is to clarify that there is no statute of limitations on judgment liens in favor of the State.

Testimony in support of this bill was received from the Attorney General.

Your Committee finds that under current law, statute of limitations do not run against the State. However, sections 636-3 and 657-5 Hawaii Revised Statutes, are not structured as traditional statutes of limitations creating an ambiguity as to whether the State is required to renew judgments and whether the lien of a judgement in favor the state expires after ten years.

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 Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1001, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1001, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 532      Judiciary and Hawaiian Affairs on H.B. No. 1002**

The purpose of this bill is to exempt contracts for legal services outside the state, from the requirements of the procurement code.

Testimony in support of the bill was received from the Attorney General. Additional testimony was received from the Department of Accounting and General Services.

Your Committee finds that situations requiring the retention of attorneys to perform legal work outside the State occurs infrequently. This makes it difficult for agencies to satisfy the bid or proposal solicitation requirements of the Procurement Code while still making timely responses to a court or administrative agency or to protect the State's legal interests.

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 Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1002, H.D. 1, and be referred to the Committee on Finance.



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

**SCRep. 533      Judiciary and Hawaiian Affairs on H.B. No. 1006**

The purpose of this bill is to establish a sentencing simulation model to permit an assessment of the impact of current and proposed sentencing policies, including truth-in-sentencing and other initiatives, on existing correctional system and community resources.

Testimony in support of this bill was received from the Judiciary, the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Maui County Police Department, the Honolulu Police Department, and the Hawaii County Police Department.

Your Committee believes that a simulation model will provide the legislature and the law enforcement community with the necessary tools to forecast prison populations and ensure efficient allocation of existing resources.

Your Committee has amended this bill by:

- (1) Appropriating \$150,000 for fiscal year 1999-2000 and \$100,000 for fiscal year 2000-2001 for the hiring of necessary staff and purchase of equipment and services for the sentencing simulation model; 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 and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1006, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1006, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Morita and Yoshinaga.

**SCRep. 534      Judiciary and Hawaiian Affairs on H.B. No. 1051**

The purpose of this bill is to provide an emergency appropriation for funds to pay court appointed counsel.

Testimony in support of this bill was received from the Department of Budget and Finance.

Your Committee finds that when the Office of the Public Defender is unable to represent an individual due to a conflict of interests or if required in the interest of justice, the courts may appoint private counsel to represent the individual.

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 Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1051, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1051, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 535      Judiciary and Hawaiian Affairs on H.B. No. 1191**

The purpose of this bill is to appropriate funds out of the Victim Compensation Special Fund for payments authorized by the Crime Victim Compensation Commission.

Testimony in support of this bill was received from the Department of the Prosecuting Attorney, City and County of Honolulu, the Crime Victim Compensation Commission, and the Sex Abuse Treatment Center.

Your Committee finds that this measure is necessary to compensate victims who have received awards from the Crime Victim Compensation Commission to reimburse them for losses they suffered because of their victimization.

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 Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1191, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1191, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Morita, Yoshinaga and Thielen.

**SCRep. 536      Judiciary and Hawaiian Affairs on H.B. No. 1237**

The purpose of this bill is to allow the counties to regulate the use of non-aerial common fireworks through the issuance of certificates of use.

Your Committee received testimony on this bill from the Honolulu Fire Department, the American Lung Association, Hawaii Explosives & Pyrotechnics, Inc. and several concerned individuals.

Your Committee finds that the enactment of the present statutory provisions had preempted the county governments from regulating fireworks. In light of the widespread and increased use of fireworks in recent years, your Committee finds that permitting the counties to further regulate the use of fireworks through the issuance of certificates of use is prudent and reasonable.

Your Committee has amended this bill by inserting:

1. Five calendar days as the minimum number of days before the designated use of fireworks for the issuance of certificates of use;
2. Five dollars as the maximum fee per certificate of use that may be assessed to cover administrative costs; and
3. 1,800 single units as the minimum amount of non-aerial common fireworks allowed per certificate of use.

Your Committee further amended this bill by inserting a provision to make it unlawful to possess aerial common fireworks unless the person has a valid permit issued by that county.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1237, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Morita and Yoshinaga.

**SCRep. 537      Judiciary and Hawaiian Affairs on H.B. No. 1118**

The purpose of this bill is to amend the Department of Human Services confidentiality statutes to allow the Department to make rules to reflect changes, as they are made, in federal statutes and regulations relating to confidentiality.

Your Committee received testimony in support of this bill from the Department of Human Services.

Your Committee finds that during the past decade, federal statutes and regulations concerning child abuse and negligence have changed and continue to change. Compliance with these federal statutes and rules is required for the continuation of services which are federally funded. This bill provides the Department of Human Services with the flexibility to keep Hawaii current with federal regulations.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1118 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Morita and Yoshinaga.

**SCRep. 538      Judiciary and Hawaiian Affairs on H.B. No. 1179**

The purpose of this bill is to clarify statutory provisions relating to the issuance of commercial marine licenses by:

- (1) Providing the Department of Land and Natural Resources (DLNR) with the option of requiring catch reports of only certain licensees;
- (2) Authorizing DLNR to obtain other types of information from commercial marine licensees, thereby ensuring the gathering of more appropriate and useful information; and
- (3) Removing unnecessary or obsolete language from Chapter 189 (Commercial Fishing), Hawaii Revised Statutes.

Testimony in support of this bill was received from the Board of Land and Natural Resources. The Boat Owners Association of The State of Hawaii Inc. testified in opposition to the proposed changes.

Your Committee finds that this bill will provide DLNR with greater flexibility to make critical changes to its administrative rules regarding commercial marine licenses and the associated reporting requirements.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1179 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 539      Judiciary and Hawaiian Affairs on H.B. No. 1176**

The purpose of this bill is to improve the effectiveness of processing violations of the State's boating laws and rules. This bill authorizes the Department of Land and Natural Resources (DLNR) to:

- (1) Establish administrative fines; and
- (2) Recover administrative fees and costs or bring legal action to recover administrative fines and fees and costs,

thereby avoiding the need for court proceedings.

Testimony in support of this bill was received from DLNR. Additional comments in opposition to the bill were submitted by the Boat Owners Association of The State of Hawaii.

Your Committee finds that the current method for processing violations of State boating laws and rules through court proceedings, including criminal proceedings, is ineffective. Many of the violations in this area could be addressed more effectively and expeditiously through administrative fines. The utilization of administrative rules would substantially relieve the courts of the burden of processing minor violations.

In addition, this bill proposes to require that all fines, fees, and costs, or recovered damages, be deposited into the Boating Special Fund. This arrangement would enable DLNR to recover the costs of investigating and processing violations.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1176, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1176, H.D. 1.

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

**SCRep. 540      Judiciary and Hawaiian Affairs on H.B. No. 1706**

The purpose of this bill is to control the harvesting of sharks and strictly limit the harvesting of shark fins by:

- (1) Stipulating that no person shall knowingly harvest for sale, possess for sale, buy, sell, or trade shark fins that are not from sharks landed whole in the State; and
- (2) Establishing fines of not less than \$5,000 and not more than \$15,000 for violators.

Testimony in support of this bill was submitted by the Department of Land and Natural Resources (DLNR), Hawaii Audubon Society, Hawaii Institute of Marine Biology, Big Island Fishermen's Association, EnviroWatch, Inc., Hawaiian Fishermen's Foundation, and numerous individuals.

Additional comments were submitted by the Western Pacific Regional Management Council. The Boat Owners Association of The State of Hawaii testified in opposition to this bill.

Your Committee finds that the practice of finning is wasteful and may have adverse impacts on the ocean ecosystem and species populations. To minimize such damaging results the practice of finning must be discouraged by strictly limiting the possession, purchase, sale or trade of shark fins.

Your Committee has amended this bill by:

- (1) Inserting language clarifying the purpose of this bill;
- (2) Refining the definition of landed;
- (3) Deleting the requirement that individuals possessing shark fins possess documentation that fins were taken from a shark landed whole in the State; and
- (4) Making technical and non-substantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1706, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1706, H.D. 2.

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

**SCRep. 541      Judiciary and Hawaiian Affairs on H.B. No. 1444**

The purpose of this bill is to return the care and disposition of notary records to the Department of the Attorney General.

Testimony in support of this bill was received from the State Attorney General and the Judiciary.

Your Committee finds that the implementation of the provisions of this bill will support the efficient administration of notary commissions in the State.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1444 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 542      Judiciary and Hawaiian Affairs on H.B. No. 1675**

The purpose of this bill is to extend the time to process individual Hawaiian home lands trust claims.

Testimony in support of this bill was received from the Hawaiian Home Lands Trust Individual Claims Review Panel, Office of Hawaiian Affairs, Native Hawaiian Legal Corporation, Hawaiian Political Action Council of Hawaii, and a private citizen.

Additional testimony was received from the Office of the Attorney General and the Department of Hawaiian Home Lands.

Your Committee finds the review of all claims before the Hawaiian Home Lands Trust Individual Claims Review Panel to be of great importance. The extension of the Claims Review Panel will provide the opportunity to complete the work in this area.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1675 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 543      Judiciary and Hawaiian Affairs on H.B. No. 1052**

The purpose of this bill is to transfer fifty percent of all fines and forfeitures collected for uncontested traffic infractions to the counties.

Testimony in support of the bill was received by the City and County of Honolulu Department of Budget and the County of Hawaii Department of Finance. Additional testimony was received from the Judiciary and the State Department of Budget and Finance.

Your Committee finds that the State annually collects approximately \$10,000,000 in parking and traffic fine revenues. Of this amount, your Committee further finds that about \$5,000,000 represents adjudicated fines that are paid without further expenditure on the part of the State.

Your Committee believes that the shared collections approach taken by this measure will assist the counties to fund necessary programs and to make up for any anticipated budgetary shortfalls.

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 Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1052, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1052, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 544      Judiciary and Hawaiian Affairs on H.B. No. 1095**

The purpose of this bill is to restart the four-year cycle for the process to review the salaries of the trustees of the Office of Hawaiian Affairs.

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

Your Committee finds that the initial salary review commission was not appointed and the four year review cycle was not initiated. This bill will authorize the re-starting of the salary review process in accordance with the revised dates.

Your Committee has amended this bill to expedite this salary review process by changing key dates and inserting language to allow for the timely formation of the salary review commission. In addition, technical and non-substantive amendments have been made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1095, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Kaho'ohalahala, Yoshinaga, Pendleton and Thielen.

**SCRep. 545      Judiciary and Hawaiian Affairs on H.B. No. 1454**

The purpose of this bill is to modify redundant or inconsistent provisions in the fee schedule for probate actions and to create uniform fees.

Testimony in support of this bill was received from the Judiciary.

Your Committee finds that this bill will promote the efficient and necessary administration of probate proceedings in the State.

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 Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1454, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 546      Judiciary and Hawaiian Affairs on H.B. No. 1121**

The purpose of this bill is to repeal the sunset provision for Act 128, Session Laws of Hawaii 1997.

Your Committee received testimony in support of this bill from the Department of Human Services, the Department of Health, and the Hawaii Substance Abuse Coalition.

Your Committee finds that this bill allows the state to continue to receive federal Temporary Assistance for Needy Families and food stamp benefits for individuals convicted of substance abuse felonies who are complying with treatment requirements by eliminating the sunset provision currently contained in Act 128.

Your Committee further finds that substance abuse treatment programs and the dependent families of convicted substance abusers depend on cash assistance and food stamps. Failure to provide these benefits could cost Hawaii in terms of lost treatment opportunities, an increase in crime, homelessness, and could impose a greater burden on the State's general assistance and social service programs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1121 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Morita and Yoshinaga.

**SCRep. 547      Education on H.B. No. 1151**

The purpose of this bill is to make an emergency appropriation to prevent the reduction or discontinuance of services to certain emotionally disturbed children and adolescents.

Specifically, this bill appropriates \$31,928,758 for fiscal 1998-1999 for services provided to certain emotionally disturbed children and adolescents to be expended by the Department of Health. Although funds were previously appropriated for fiscal year 1998-1999 for this purpose, unanticipated increases in services as required by the the Felix vs. Cayetano consent decree will increase expenditures beyond the amounts authorized by the legislature for fiscal year 1998-1999.

Your Committee received testimony supporting this bill from the Department of Health and the Department of Education.

Your Committee finds that this emergency appropriation is necessary.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1151 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 548 Education on H.B. No. 319**

The purpose of this bill is to improve the safety and health of Hawaii's students by initiating a pilot project within the Department of Health (DOH), which will expand the workday of school health aides from six and one-half hours to eight hours per day at twelve large secondary public school statewide.

Testimony in support of the bill was received from the Hawaii Government Employee Association and four school health aides.

DOH testified in opposition to the bill, stating that increasing the workday will not alleviate the problem of inadequate coverage for schools with high numbers of students seen in the health room, or improve the safety and health of students during the school day, because the proposed expansion of hours will take place when students are not in school. The Department of Education testified that it concurred with DOH's position on the bill.

Your Committee finds that by increasing the workday to include time when students are not in school, school health aides will have more time to complete necessary paperwork, surveys, and other types of information gathering. This, in turn, will allow student health aides to fully focus on and provide for students' health care needs during the regular school day.

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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 319, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 319, H.D. 1.

Signed by all members of the Committee except Representative Santiago.

**SCRep. 549 Education on H.B. No. 847**

The purpose of this bill is to require the Department of Health (DOH) to develop:

- (1) Service definitions for mental health services provided to members of the Felix v. Cayetano consent decree class that correspond to Medicaid definitions; and
- (2) A fee schedule and billing codes comparable to those used for Medicaid and QUEST.

DOH testified in support of the intent of the bill but opposed the recommendations because they would have a detrimental effect on the availability of services for Felix class youths. Specifically, DOH testified that the volume of private providers needed to meet the service requirements of Felix class youths would not be available at the level of payments offered by QUEST or Medicaid rates.

Oral comments on the bill were received during the hearing from the Department of Education, the Hawaii Early Intervention Council, and a concerned parent.

Your Committee finds that all efforts should be made to maximize federal reimbursements and decrease costs. Your Committee also finds that a major obstacle to maximizing federal reimbursements is DOH's practice of paying more to private providers of Felix services for mental health assessments than Medicaid reimbursement rates.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 847, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 847, H.D. 2.

Signed by all members of the Committee except Representative Santiago.

**SCRep. 550 Education on H.B. No. 87**

The purpose of this bill is to establish a community-based pilot project that provides students with the opportunity to participate in the formulation of activity programs.

Testimony in support of the bill was received from the Hawaii Congress of Parents, Teachers and Students, the North Hilo Community Council, the Hamakua District Development Council, the Rural South Hilo Community Association, and several students from the island of Hawaii. The Department of Education testified in support of the intent of the bill. In addition, students from Kea'au Middle School and Waiakea High School, located on the island of Hawaii, testified that they would like the pilot project to be expanded to include their schools.

Your Committee finds that including youth in the planning and decisionmaking stages of programs and activities that directly affect them enhances their success and effect. Your Committee also finds that peer programs and education are effective tools in providing alternatives to activities such as drug abuse, gang activity, and teen pregnancy.

Your Committee has amended this bill by adding Kea'au Middle School and Waiakea High School to the pilot project.

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

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

**SCRep. 551      Education on H.B. No. 408**

The purpose of this bill is to require school bus drivers to be provided with the necessary supplies in the handling of blood-borne pathogens and to be properly trained in the handling of potentially dangerous bodily fluids.

Your Committee finds that school bus drivers must transport hundreds of school children each day and run the risk of handling a sick or injured child with direct exposure to blood borne diseases such as AIDS or hepatitis. Providing the school bus driver with the necessary supplies such as rubber gloves and clean up equipment will allow them to use the universal method for clean up incidents that will reduce the likelihood of others contracting any communicable diseases.

Your Committee received supporting testimony from the Superintendent of Education and Gomes School Bus Service.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 408 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 552      Economic Development and Business Concerns on H.B. No. 560**

The purpose of this bill is to authorize the Department of Education to convert to permanent civil service status two temporary positions at the Hilo community school for adults.

Your Committee finds that the conversion of these positions will not require additional funding, and conversion to permanent status will ensure stability and continuity in the positions for much needed services in the community.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 560 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 553      Education on H.B. No. 899**

The purpose of this bill is to appropriate moneys to provide substance abuse treatment, counseling, and intervention services to certain substance-abusing children and adolescents at King Intermediate School by Teen Care.

Specifically, this bill appropriates \$90,000 in fiscal year 1999-2000 and the same sum in fiscal year 2000-2001 for drug treatment, counseling, and intervention services at King Intermediate School for substance-abusing children, to be expended by the Department of Health.

Your Committee received testimony supporting this bill from the Department of Health, the Superintendent of Education, Alcoholic Rehabilitation Services of Hawaii, Inc., the principal and twelve individuals who are staff at King Intermediate School, the Hawaii State PTSA, the Kualoa-Heeia Ecumenical Youth Project, and one individual.

Your Committee finds that there is an increasing need for treatment services for youths aged twelve to eighteen in our schools and that substance abuse treatment for adolescents is extremely cost effective.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 899 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 554      Education and Health on H.B. No. 1085**

The purpose of this bill is to make an emergency appropriation to enable the Department of Education to fulfill the requirements of the Felix v. Cayetano consent decree and to continue essential services for students in regular and special education programs.

Testimony in support of the bill was submitted by the Department of Education, the Hawaii State Teachers Association, and the Hawaii State Parent Teacher Student Association.

According to the Department of Education, special education was not adequately funded during the 1998-1999 school year, so funds were reallocated from other programs to meet the immediate needs for special education to fulfill the requirements of the Felix v. Cayetano consent decree. Without these emergency appropriations, the Department of Education would have to reduce or terminate essential services for students.

During the discussion of the bill, the formula for determining the number of teachers for special education students was raised. The federal Individuals with Disabilities Education Act, P.L. 94-142, emphasizes the inclusion of special education students in regular education classrooms, so many special education students attend both special education classes and regular education classes.

Currently in the Department of Education, the number of special education classes is determined by the number of special education students and the types of their disabilities. However, special education students are not counted in determining class size in regular education classrooms. This significantly impacts regular education teachers because special education students typically require more attention than other students. Your Committees urge the Department of Education to develop a more balanced formula for allocating teacher resources.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1085 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kahikina, Kawakami, Takai, Yamane, and McDermott.

**SCRep. 555      Transportation on H.B. No. 451**

The purpose of this bill is to extend the term of the Metropolitan Planning Organization (MPO) Policy Committee Chairperson.

Your Committee finds that the current term (one year) for the chairperson is too short of a time for continuity in effectively carrying out assigned responsibilities. Metropolitan Planning Organizations in other states utilize longer terms for their chairpersons, and they have achieved great success.

This bill proposes to change the frequency of the election for the MPO Policy Committee Chairperson from annually to every two years.

Testimony in support of this bill was received from the current Chair of the Oahu Metropolitan Planning Organization Policy Committee. The Executive Director of the Oahu Metropolitan Planning Organization submitted comments.

Your Committee has amended this bill by including amendments to section 279E-7, Hawaii Revised Statutes, which pertains to the functions of the Oahu Metropolitan Planning Organization and by changing the effective date to 2001.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 451, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 556      Transportation on H.B. No. 1528**

The purpose of this bill is to give police officers the authority to arrest persons who evade the law by failing to provide proof of identification and giving out false or misleading identities.

Your Committee finds that police officers have a difficult time verifying people's identities. Police officers must rely on verbal information supplied by a person if he or she cannot show proof of identification, and there have been numerous incidents in which people have given false identification. There is an added problem for police officers in that, when shown an out-of-state driver's license, the police have no method by which they can trace the license, and again, they are forced to accept this as proof of identification.

This bill proposes to authorize police officers to arrest persons stopped for traffic violations who refuse to provide proof of their identification or who are suspected of providing false or misleading information. This is to be done by amending subsection (c) of Section 291C-16, Hawaii Revised Statutes, to include persons who violate section 291C-172.

Testimonies in support of this bill were received from the Department of the Prosecuting Attorney, the City and County of Honolulu, and the Honolulu Police Department. Testimonies in opposition to this bill were heard from the State Office of the Public Defender and Common Cause Hawaii.



Your Committee has amended this bill by including an amendment to subsection (a) of Section 291C-172, Hawaii Revised Statutes, to clarify that the proof of identification is to apply only to any driver of a motor vehicle or moped.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1528, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 557      Agriculture and Water and Land Use on H.B. No. 1380**

The purpose of this bill is to provide an interim subsidy to the Irrigation Revolving Fund to allow:

- (1) Irrigation systems to meet operating costs; and
- (2) Affected parties to recover from the depressed economy.

Testimony in strong support of the bill was received from the Hawaii Farm Bureau. The Department of Agriculture (DOA) supported the bill provided that it does not replace or adversely impact priorities indicated in DOA's executive biennium budget.

Your Committees find that presently, fees being charged to farmers and ranchers are not sufficient to cover the projected cost and operating expenses of existing irrigation systems. The interim subsidies will help DOA meet its operating costs until an agreement is reached on a water toll increase.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water and Land Use that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1380 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Chang, Herkes, Meyer, Morihara, Rath, Thielen and Whalen.

**SCRep. 558      Agriculture on H.B. No. 368**

The purpose of this bill, as referred to your Committee, is to provide the Board of Agriculture with comparable authority over irrigation water as the county agencies exercise over water for municipal purposes.

Your Committee finds that under the State's water code the Board of Agriculture's authority over irrigation water should be comparable to the county water agencies' authority over water for municipal purposes.

This bill delegates to the Board of Agriculture the authority to allocate the use of water for agricultural irrigation purposes subject to the limits of water supply allocated to the Board of Agriculture in its role as irrigation water purveyors.

Testimonies in support of this bill were received from the Department of Agriculture, the Department of Land and Natural Resources, and the Hawaii Farm Bureau Federation.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 368 and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representatives Saiki, Ito and Rath.

**SCRep. 559      Agriculture on H.B. No. 1635**

The purpose of this bill is to support economic growth in economically depressed areas by appropriating funds to farmers in these areas.

The Department of Agriculture (DOA), the Big Island Farm Bureau, and the Hawaii Farm Bureau Federation submitted testimony in support of this measure.

Your Committee notes that the provision of agricultural loans to farmers in economically depressed areas was established in Act 118, Session Laws of Hawaii 1998, which established a pilot loan project to facilitate the development of diversified agriculture in the depressed areas. According to DOA's testimony, the DOA was overwhelmed by growers who were interested in obtaining these low-interest loans at its initial offering. Your Committee recognizes the strong demand for investment capital beyond what commercial institutions are willing or prepared to offer.

Your Committee has amended this bill by:

- (1) Appropriating the funds from the Agricultural Loan Revolving Fund rather than the general fund; and

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1635, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1635, H.D. 2, and be referred to the Committee on Finance.

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

**SCRep. 560      Agriculture on H.B. No. 1632**

The purpose of this bill, as referred to your Committee, is to develop new markets and expand existing market for Hawaii's papaya industry.

Your Committee finds that Hawaii's papaya production declined from a high of 58.2 million pounds in 1993 to 35 million pounds in 1998, a decrease of 39.7 percent in five years, due to the papaya ringspot virus. Your Committee further finds that during these years of declining papaya production, the increase demand for papaya by the U. S. mainland, Canadian and Japanese markets was filled by foreign supplies of papaya. Now the Hawaii papaya industry is recovering with a resistant transgenic variety and new acreage in production. The Department of Agriculture projects this year's papaya production to reach the level of 40 million pound.

This bill appropriates \$100,000 to develop new market and expand existing markets for Hawaii's papaya industry. This measure further provides that no funds shall be expended unless the Papaya Administrative Committee provides its one-third share of \$50,000 to promote the papaya industry.

Your Committee has amended this bill by adding the word "million" in line 3 on page 1.

Testimonies in support of this bill were received from the Department of Agriculture and the Hawaii Papaya Industry Association.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1632, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1632, H.D. 2, and be referred to the Committee on Finance.

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

**SCRep. 561      Agriculture on H.B. No. 138**

The purpose of this bill, as received by your Committee, is to prevent theft of agricultural goods and commodities by:

- (1) Making it criminal trespass in the first degree for persons who knowingly enter or remain unlawfully in or upon agricultural land that is fenced, enclosed, or secured in a way that is designed to exclude intruders or which is displayed the notice "Private Property";
- (2) Providing for the repossession of vehicles found in the possession of persons convicted under the law at the time of the offense; and
- (3) Requiring proof of ownership among sellers, buyers, and transporters of produce lots of fruits, nuts, and vegetables.

The Pineapple Growers Association of Hawaii, the Hawaii Agriculture Research Center, and the Hawaii Aquaculture Association submitted testimony in support of the measure. The Department of Agriculture testified in support of the intent of the measure. Comments were submitted by the Hawaii Farm Bureau Federation. The Land and Research Office of the Office of Hawaiian Affairs submitted testimony in opposition to this measure.

Your Committee has amended this bill by deleting its substance and inserting new material, which protects the rights of owners of agricultural goods and commodities by requiring proof of ownership of sellers, buyers, and transporters of produce lots of fruits, nuts, and vegetables. Your Committee notes that the bill, as amended, is modeled after section 142-49, Hawaii Revised Statutes, which provides for livestock ownership and movement certification.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 138, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 138, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 562      Agriculture on H.B. No. 32**

The purpose of this bill is to provide for the cultivation of industrial hemp in the State by, among other things:

- (1) Requiring the University of Hawaii at Hilo (UH-Hilo) to:

- (A) Study the feasibility and desirability of industrial hemp production in Hawaii; and
- (B) Obtain all federal and state permits needed to legally grow industrial hemp for fiber or seed production prior to importing any non-sterilized industrial hemp seeds capable of germinating in the State;
- (2) Specifying that industrial hemp with a tetrahydrocannabinol concentration (dry weight) that does not exceed one percent, meets the standards set forth in Health Canada as of July 1, 1999, and is grown in compliance with federal and state permit conditions, shall not be construed as "marijuana" under the Uniform Controlled Substances Act and the Offenses Against Public Health and Morals Law; and
- (3) Appropriating funds for UH-Hilo to carry out the purposes of the bill.

The Libertarian Party of Hawaii and several individuals submitted testimony in support of the measure. The Dean of the College of Agriculture, Forestry and Natural Resource Management testified in favor of the measure with reservations. The Department of Agriculture, the State Attorney General, the Chair and CEO of C. Brewer and Company, Limited, the Hawaii Island Economic Development Board, and an individual submitted comments on the measure. Testimony in opposition to this bill was received from the Hawaii County Police Department, the Honolulu Police Department, the Hawaii County Office of the Prosecuting Attorney, and numerous individuals.

Upon careful consideration, your Committee has amended this bill by deleting the substance and inserting new material, which:

- (1) Simplifies the definition of "industrial hemp" as the schedule I substance marijuana as defined in section 329-1, Hawaii Revised Statutes (HRS);
- (2) Authorizes the State to allow privately-funded industrial hemp research to be conducted in Hawaii when the State department of public safety issues a controlled substance registration, and the U.S. Department of Justice, Drug Enforcement Administration, issues a federally-controlled substance registration for research on the agronomic potential of industrial hemp;
- (3) Authorizes the State Department of Safety, in cooperation with the Drug Enforcement Administration, to monitor all phases of the research; and
- (4) Specifies that all agronomic data derived from the privately-funded industrial hemp research under this bill be deemed to be proprietary in nature and not subject to disclosure pursuant to chapter 92F, HRS.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 32, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 32, H.D. 1, and be referred to the Committees on Judiciary and Hawaiian Affairs and Public Safety and Military Affairs.

Signed by all members of the Committee except Representative Ito.  
(Representatives Rath and Whalen voted no.)

**SCRep. 563 Water and Land Use on H.B. No. 814**

The purpose of this bill is to authorize the governor to provide tax breaks and land lease incentives to assist high technology industries that provide jobs for the people of Hawaii.

Your Committee received testimony as follows:

- 1. High Technology Development Corporation, in support;
- 2. Office of Hawaiian Affairs, in opposition; and
- 3. Department of Business, Economic Development, and Tourism, and Estate of James Campbell, offering comment.

Your Committee finds that the high technology industry offers tremendous opportunities for job creation and synergy with existing information infrastructure, but the Committee on Finance might also consider offering the same incentives to existing high businesses, in order to address the issue of equity. As an alternative to \$1-per-year leases, the Committee on Finance might also consider leases of property at fair market value.

Your Committee revised the bill by:

- 1. Changing the lease amounts charged to high technology businesses on public lands from \$1 per year to an unspecified amount; and
- 2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 814, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 814, H.D. 1.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 564 Water and Land Use on H.B. No. 1379**

The purpose of this bill is to allow persons owning property within an agricultural district to subdivide the property into leasehold lots of at least 50 acres to be used for intensive agricultural purposes.

Your Committee received testimony in support of this bill from Kamehameha Schools/Bernice Pauahi Bishop Estate, Land Use Research Foundation, Hawaii Farm Bureau Federation, and comments on the bill from the Office of Planning of the Department of Business, Economic Development, and Tourism.

Your Committee finds that intensive agricultural subdivisions will allow farmers to work on smaller plots and will encourage the development of diversified agriculture. Restrictions will prevent residential or any other non-agricultural use. Additional safeguards include the requirement for county approval of the file plan of any proposed subdivision.

Your Committee revised the bill by:

1. Providing that for subdivided leasehold lots, the lot shall revert to its former state upon expiration or termination of the lease;
2. Setting the minimum lot size to an undesignated size;
3. Providing that the requirement for agricultural subdivisions to be used solely for the production of plant and animal life for food, fiber, and raw materials shall apply to leasehold lots;
4. Clarifying that security facilities shall be used for safeguarding agricultural products and activities; and
5. 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 Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1379, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1379, H.D. 2.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 565 Water and Land Use on H.B. No. 1233**

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources for creation of plans, specifications and estimates for the Wailupe stream flood control project.

Your Committee received testimony in support of this bill from three individuals and comments on the bill from the Board of Land and Natural Resources.

Your Committee finds that the area drained by Wailupe Stream is particularly flood-prone, especially after the development of Hawaii Loa Ridge, which drains into the Aina Haina Valley and adds to the burden on Wailupe Stream.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1233 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 566 Water and Land Use on H.B. No. 797**

The purpose of this bill is to allow for hunting of game birds by residents of foreign countries under certain circumstances.

Your Committee received testimony in support of this bill from the Board of Land and Natural Resources.

Your Committee finds that commercial hunting on private property can have environmental and economic benefits, particularly for the control of non-native species.

Your Committee revised the bill by:

1. Adding provisions allowing issuance of a Hawaii hunting license for an applicant showing proof of successful completion of an approved hunter education course;
2. Requiring nonresident gamebird hunters to possess a valid hunting license issued within the previous five years by any other state or country, or proof of having completed a hunter education training course; 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 Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 797, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 797, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 567 Water and Land Use on H.B. No. 806**

The purpose of this bill is to approve the exchange of public lands in North Kona for private lands in South Kohala owned by Hawaii International Motor Speedway.

Your Committee received testimony as follows:

1. County of Hawaii Office of the Mayor, Hawaii International Motor Speedway, in support;
2. Office of Hawaiian Affairs, in opposition; and
3. Board of Land and Natural Resources, offering comment.

Your Committee finds that the proposed land exchange will allow for the development of a raceway on otherwise unusable land near the airport in North Kona, helping the island of Hawaii capitalize on the rapidly growing motorsports industry. Nevertheless, concerns exist about the possible impact on the nearby Natural Energy Laboratory of Hawaii Authority facility and whether development will constrict any future NELHA expansion plans.

This matter requires further research and the proponents of the bill should provide the legislature with additional information, especially about the value of the land involved, their current zoning and other issues.

Your Committee revised the bill by:

1. Changing the location of the private lands to "Kona coast";
2. Adding the tax map key location for the public lands involved;
3. Removing the description of the condition of the private lands;
4. Adding information on the proposed raceway, its benefits and the current status of the proposal as seeking private lands for purchase;
5. Changing the expiration date to June 30, 2001; and
6. 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 Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 806, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 806, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.  
(Representatives Morita and Takumi voted no.)

**SCRep. 568 Water and Land Use on H.B. No. 1332**

The purpose of this bill is to direct the Barbers Point Naval Air Station redevelopment commission to identify lands in Barber's Point for use as a high technology park.

Your Committee received testimony in support of this bill from the Office of Planning of the Department of Business, Economic Development, and Tourism, and comments on the bill from the Estate of James Campbell.

Your Committee finds that the high technology industry offers tremendous opportunities for job creation and synergy with existing information infrastructure. Establishment of a high technology park at Barbers Point with appropriate incentives would help Hawaii to

capitalize on this burgeoning sector, but the Committee on Finance might also consider offering the same incentives to existing high tech parks and businesses, in order to address the issue of equity.

Your Committee revised the bill by:

1. Adding definitions for "qualified high technology business" and "qualified research expenses";
2. Removing the provisions for reductions in lease rents;
3. Changing the excise tax exemption for construction to apply only to the income received by a contractor for construction in the Kalaeloa high technology park;
4. Adding a five-year exemption for general excise taxes for qualified high technology businesses in the park, as certified by the Director of Taxation;
5. Changing the ten-year state corporate income tax exemption to a five-year income tax exemption, requiring certification by the Director of Taxation;
6. Providing that after taking effect, the provisions shall apply to taxable years beginning after December 30, 1999 and before January 1, 2009; and
7. 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 Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1332, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 569 Water and Land Use on H.B. No. 1653**

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources to implement capital improvement projects in the Ala Wai canal watershed.

Your Committee received testimony in support of this bill from two University of Hawaii professors, and comments on the bill from the Board of Land and Natural Resources.

Your Committee finds that improved management of the Ala Wai Canal watershed will improve the water quality in the canal and reduce the need for maintenance.

Your Committee revised the bill by:

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

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1653, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1653, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 570 Judiciary and Hawaiian Affairs on H.B. No. 590**

The purpose of this bill is to establish death review teams to review adult domestic violence and sexual assault-related deaths.

Testimony in support of this measure was received from the Attorney General, the Commission on the Status of Women, the Hawaii State Coalition Against Domestic Violence, and the Domestic Violence Clearinghouse and Legal Hotline. Additional testimony was received from the City and County Department of the Prosecuting Attorney, and the Honolulu Police Department.

Your Committee finds that there is a need to develop a coordinated statewide response to domestic violence at the highest levels of our state government. The death review teams established by this measure will assist government to more effectively answer the many problematic aspects of domestic violence and sexual assault in communities across our state.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 590 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 571      Judiciary and Hawaiian Affairs on H.B. No. 167**

The purpose of this bill is to establish a graduated driver licensing procedure for persons under eighteen years of age.

Your Committee received testimony on this bill from the Governor's Highway Safety Council, Department of Transportation, Department of Commerce and Consumer Affairs, the Department of Customer Services, the Honolulu Police Department, Mothers Against Drunk Driving, the Keiki Injury Prevention Coalition, Youth in Action (Hawaii MADD), the Hawaii Insurers Council, State Farm Insurance Company, and concerned individuals.

Your Committee finds that the establishment of enhanced licensing requirements for youthful drivers and the requirement of overall drivers' education program would promote highway safety.

Your Committee deleted the substance of this bill and inserted provisions that require:

1. The completion of an approved drivers' education course as a prerequisite for the issuance of an instruction permit;
2. The completion of a behind the wheel driver training course as a prerequisite for the issuance of a driver's license; and
3. The revocation of license by the court for any driver under the age of 18 for any moving violation type of traffic offense.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 167, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 167, H.D. 2.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 572      Judiciary and Hawaiian Affairs on H.B. No. 286**

The purpose of this bill is to provide safer streets and crossings for children, parents, pedestrians and motorists by deterring speeding in school and construction zones.

Your Committee received testimony in support of this bill from the Department of Education, Hawaii State Teachers Association, General Contractors Association of Hawaii and JAS. W. Glover, Ltd.

While your Committee notes that fines for speeding violations can be fairly high, an alarming number of children, pedestrians, construction workers and motorists are being placed in danger of, or have actually been struck by speeding motorists. Your Committee finds that enhancing the penalty for speeding in school and construction zones will deter such speeding and protect the public.

Your Committee has amended this bill by:

- (1) Providing for twice the fine stated in section 291C-161, Hawaii Revised Statutes for a violation of this section;
- (2) Making changes of a nonsubstantive nature for technical and stylistic purposes.

Your Committee emphasizes that the purpose of this bill is not to serve as a means of increasing revenue, but to protect our children.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 286, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 286, H.D. 1.

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

**SCRep. 573      Judiciary and Hawaiian Affairs on H.B. No. 532**

The purpose of this bill is to establish a structure to ensure gender equity in athletic activities offered by the public schools.

Your Committee received testimony in support of this bill from the Hawaii State Commission on the Status of Women, the Hawai'i Civil Rights Commission, the Hawaii Women Lawyers, the Hawaii State Teachers Association, and several concerned individuals. Comments were received from the Department of Education.

Your Committee finds that gender equity in sports at the public schools promotes equal opportunities for girls and boys from kindergarten through high school.

Your Committee amended this bill by:

1. Removing the enforcement section;
2. Requiring a strategic plan to achieve gender equity in sports in three years;
3. Requiring the creation of indicators of progress and use of benchmarking to measure progress; and
4. Removing the "body contact sport" exception to allowing girls to try out for teams comprising solely of boys.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 532, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 532, H.D. 2.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 574      Judiciary and Hawaiian Affairs on H.B. No. 876**

The purpose of this bill is to allow parents who do not contest their child support obligations and who are in good standing with such payments to opt out of the Child Support Enforcement Agency payment system.

Testimony making comment and suggesting revisions to this bill was received from the State Attorney General and the Department of Human Services.

Your Committee has amended this bill by allowing the Office of Child Support Hearings to determine whether certain parents may opt out of the Child Support Enforcement Agency payment system.

Your Committee finds that the provisions of this bill as amended by your Committee will advance the efficient administration of the Child Support Enforcement Agency payment system.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 876, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 876, H.D. 1.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 575      Judiciary and Hawaiian Affairs on H.B. No. 1125**

The purpose of this bill is to clarify and standardize provisions relating to the recovery of medical assistance payments by the State Department of Human Services in third-party liability situations.

Testimony in support of this bill was received from the State Department of Human Services. Testimony in opposition to this bill was received from the Consumer Lawyers of Hawaii.

Your Committee finds that the State Department of Human Services annually recovers approximately \$1,000,000 in reimbursements for medical assistance from third parties responsible for injuries suffered by medical assistance recipients. Such reimbursements help fund the medical assistance program.

Your Committee finds that there has been a steady increase in the number of pending third party liability cases, making direct State intervention or involvement impractical. Your Committee finds that this measure alleviates potential burdens upon the Department of Human Services and the taxpayers of the State, and fairly distributes the responsibility for attorney fees and costs incurred in the recovery of reimbursable funds.

Your Committee has amended this bill as follows:

- (1) By adding language that clarifies that where a lien attaches as provided by Section 346-37(g), Hawaii Revised Statutes, and the attorney representing a claimant is properly served with notice of the lien, the attorney shall pay the full amount of the lien, less a pro-rata share of attorneys fees and expenses incurred in the recovery of the lien, prior to disbursing any of the proceeds of the suit or settlement to the attorney's client;
- (2) By adding language clarifying that the department's right of reimbursement is limited; 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 Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1125, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1125, H.D. 1.

Signed by all members of the Committee except Representative Yoshinaga.



**SCRep. 576      Judiciary and Hawaiian Affairs on H.B. No. 1142**

The purpose of this bill is to:

- (1) Place certification of cesspool pumping firms with the Department of Health;
- (2) Subject knowing violations of rules regarding spills and dumping to criminal penalties;
- (3) Allow officials of the Department of Health to obtain search warrants for criminal violations;
- (4) Provide consistent penalties for wastewater and sludge spills and dumping; and
- (5) Make explicit the Department of Health's authority to deal with recycled water.

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

Your Committee finds that this bill will strengthen the authority of the Department of Health to deal effectively with wastewater environment concerns.

Your Committee amended this bill by adding a definition to Section 342D-1, Hawaii Revised Statutes, for the term "recycled water".

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1142, H.D. 1, as amended herein, and recommends it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1142, H.D.2.

Signed by all members of the Committee except Representative Cachola, Morita and Yoshinaga.

**SCRep. 577      Judiciary and Hawaiian Affairs on H.B. No. 988**

The purpose of this bill is to create a fund for emergency needs which may arise in the testing, modification and support of the State's computer systems for Year 2000 compliance.

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

Your Committee finds that all programs for remediation of State computer systems are on schedule for completion by September 30, 1999. Currently, half of all systems have been tested.

Your Committee expresses concern that this bill could become a blank check for excess or unnecessary spending. Therefore, your Committee has amended this bill by creating a reciprocating mechanism requiring the Department of Accounting and General Services to report back to the legislature on the disposition of funds appropriated pursuant to this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 988, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 988, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 578      Judiciary and Hawaiian Affairs on H.B. No. 1105**

The purpose of this bill is to extend the governmental immunity provisions created by Act 213 of Session Laws of Hawaii, 1998 to protect the government from serving as a deep pocket for claims based upon Year 2000 computer errors.

Your Committee received testimony in favor of this bill from the Department of Accounting and General Services, the Department of Transportation, the University of Hawaii, the Queen's Health Systems, and Bank of Hawaii.

Your Committee finds that the language of this bill is broader than Act 213 of Session Laws of Hawaii, 1998 to accord the state greater protection from lawsuits based upon Year 2000 computer errors.

Your Committee has amended this bill by:

- (1) Deleting references to the term "between the twentieth and twenty-first centuries" in order to clarify any ambiguity concerning the scope of the bill's coverage; and
- (2) Making changes of a nonsubstantive nature for technical and stylistic purposes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1105, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 579      Judiciary and Hawaiian Affairs on H.B. No. 1111**

The purpose of this bill is to provide protections for persons who undertake commercially reasonable efforts to investigate and solve potential Year 2000 computer problems, and to provide a more expedient and less expensive procedure for the resolution of legal claims arising from Year 2000 errors.

Your Committee received testimony in support of this bill from the Judiciary, Department of the Attorney General, Department of Accounting and General Services, Bank of Hawaii, Kaiser Permanente, the Queens Health Systems, Hawaii Long Term Care Association, Hawaii Credit Union League and Hawaii Medical Service Association. Testimony in opposition to the bill was received from the Consumer Lawyers of Hawaii.

Your Committee finds that in passing Act 213, Session Laws of Hawaii 1998, the Legislature recommended that the public and private sectors of the community meet to develop and propose a comprehensive legislative solution to legal claims arising from the Year 2000 computer errors.

In response, an informal study group consisting of numerous volunteers from Hawaii's government and private sectors was formed and met over the course of six months to:

- (1) Explore the impact of Year 2000 problems;
- (2) Develop ways to encourage people to address these problems; and
- (3) Insure that resources are focused on solving technical problems rather than on litigation.

The study group discussed many issues at length, and this bill is based upon their findings and recommendations.

Your Committee finds that the potential costs of litigating legal claims arising from Year 2000 errors remains a significant concern of Hawaii's business community. These potential litigation costs could divert resources away from finding and fixing Year 2000 problems and from productive use in other areas of the State's economy.

This bill encourages businesses to exercise commercially reasonable efforts to identify and solve potential Year 2000 problems by limiting damage awards against businesses that undertake such efforts. This bill also establishes a fair, practical and efficient process for resolving Year 2000 disputes among private sector parties which will not unnecessarily burden the courts and the State's economy.

Your Committee has amended this bill by:

- (1) Adding language allowing the mediation of disputes as an additional alternative to arbitration or court action; and
- (2) Making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1111, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 580      Judiciary and Hawaiian Affairs on H.B. No. 1367**

The purpose of this bill is to provide a broad continuum of services for the prevention of child abuse.

Testimony in support of this bill was received from the State Department of Human Services, the Department of Health, the Junior League of Honolulu, Inc., and Blueprint for Change.

Your Committee finds that child abuse is a complex problem with many causes. Your Committee finds that the provisions of H.B. No. 1367, H.D. 1, will further the Legislature's commitment to the prevention of child abuse.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1367, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 581      Judiciary and Hawaiian Affairs on H.B. No. 1457**

The purpose of this bill is to reclassify spilling load violations as traffic offenses.

Testimony in support of this measure was received from the Judiciary.

Currently, a five-day license or vehicle registration suspension, in addition to a mandatory \$250 fine is the penalty required for all spilling load violations. However, these violations are currently processed through the civil traffic system which allows the defendant to respond by written statement in lieu of a court appearance.

A defendant must appear in court if the court wants, to enforce the mandatory five-day license or vehicle registration suspension. Your Committee believes that making this violation a traffic offense will require the defendant to be present in court, thus resolving this situation so that appropriate penalties and sanctions can be imposed.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1457 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 582      Judiciary and Hawaiian Affairs on H.B. No. 1214**

The purpose of this bill is to facilitate the obtaining of a Hawaii commercial driver's license by persons possessing commercial driver's licenses issued by other jurisdictions.

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

Your Committee finds that since commercial drivers in all states must meet minimum federal standards prior to being issued commercial driver's licenses, the provisions of this bill will not conflict with the goals of the State to maximize safety on the roadways. Your Committee further finds that it is reasonable to extending the provisions of the bill to persons holding Canadian issued commercial driver's licenses.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1214, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1214, H.D. 1.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 583      Judiciary and Hawaiian Affairs on H.B. No. 1389**

The purpose of this bill is to propose an amendment to the State Constitution to authorize the issuance of special purpose revenue bonds to private primary or secondary educational institutions for building and maintenance of facilities.

Testimony in support of this bill was received from the Hawaii Association of Independent Schools.

Your Committee finds that both public and private schools must maintain their buildings and facilities in order to provide adequate educational opportunities for our youth. Your Committee believes that by allowing the State to issue special purpose revenue bonds to upgrade private school facilities, this measure will assist in the overall goal of the State to provide quality education for future generations.

Your Committee has amended this bill by deleting the effective date to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1389, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1389, H.D. 1.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 584      Judiciary and Hawaiian Affairs on H.B. No. 1192**

The purpose of this bill is to allow money in the crime victim compensation special fund to be used for salaries of authorized positions and the collection of fees.

Testimony in support of this bill was received from the Department of the Prosecuting Attorney for the City and County of Honolulu, the Crime Victim Compensation Commission, the Sex Abuse Treatment Center, and concerned individuals.

Your Committee finds that discretionary use of the available money in the Crime Victim Compensation Special Fund furthers the goal of fiscal self-sufficiency for the Crime Victim Compensation Commission.

Your Committee has amended this bill by making non-substantive changes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1192, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Morita, Yoshinaga and Thielen.

**SCRep. 585      Judiciary and Hawaiian Affairs on H.B. No. 1690**

The purpose of this bill is to exempt foreign nationals, foreign students and diplomatic and consular officials from foreign driver's license surrender and invalidation requirements.

Your Committee received testimony in support of this bill from the Consulate of Sweden.

Your Committee finds that this bill enables foreign nationals, foreign students and diplomatic and consular officials to obtain a Hawaii driver's license without having to invalidate their foreign driver's license. This bill establishes the procedure for the temporary surrender of such licenses.

Your Committee has amended this bill by:

- (1) Deleting foreign nationals and foreign students from subsection (d); and
- (2) Defining "diplomatic and consular officials."

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1690, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1690, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 586      Transportation on H.B. No. 123**

The purpose of this bill is to strengthen enforcement of driving under the influence (DUI) offenses by requiring the forfeiture of a motor vehicle being driven by a defendant upon conviction of a third DUI offense or the offense of habitually driving under the influence of intoxicating liquor or drugs.

Your Committee finds that there are graduated penalties for repeated DUI offenses, but that drivers continue to endanger themselves and others by continuing to drive after excessive consumption of intoxicating liquor or drugs. Your Committee believes that were drivers aware that they might be deprived of their vehicles for repeated DUI offenses, that this possibility would be a strong deterrent to continued abuse of alcohol or drugs.

Testimonies in support of this bill were received from the Department of Transportation, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Impaired Driving Task Force of the Governor's Highway Safety Council, and Mothers Against Drunk Driving. The Honolulu Police Department and the Hawaii Transportation Association supported the intent of the bill. The Office of the Public Defender provided comments for consideration.

The Department of Transportation further testified that federal funding for highway construction and maintenance could be withheld unless minimum penalties are provided for repeat offenders. The Hawaii Transportation Association expressed concern about the loss of a trucking company's vehicles.

Your Committee has amended this bill by providing that the forfeiture of a vehicle be permitted by the court, pursuant to chapter 712A, Hawaii Revised Statutes.

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

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 587      Transportation on H.B. No. 3**

The purpose of this bill is to consolidate and make uniform, where appropriate, the statutory provisions relating to driving under the influence of intoxicating liquor, driving under the influence of drugs, impaired boating offenses, and zero tolerance violations.

More specifically, the bill:

- (1) Makes driving with a measurable amount of alcohol (zero tolerance), driving under the influence of drugs, and impaired boating offenses subject to the administrative revocation of driver's license provisions, instead of providing for suspension of license or privilege to operate a vehicle pursuant to a district court hearing;
- (2) Consolidates the implied consent provisions for driving with a measurable amount of alcohol (zero tolerance), driving under the influence of intoxicating liquor, driving under the influence of drugs, and impaired boating offenses; and
- (3) Makes the penalties for driving under the influence of drugs and impaired boating offenses consistent with those for driving under the influence of intoxicating liquor by consolidating these provisions into the offense of operating a vehicle while under the influence of an intoxicant.

Out of concern over inconsistent impaired driving and boating provisions and disparate penalties for similar offenses, the Legislature passed House Concurrent Resolution No. 26, S.D. 1, entitled "Requesting the Department of Transportation to Review Hawaii's Impaired Driving Statutes and to Make Recommendations for Uniform Statutory Construction", during the Regular Session of 1998. This bill is the result of efforts by the Governor's Highway Safety Council Impaired Driving Task Force and the Department of Transportation in response to that Resolution.

Your Committee finds that it is entirely appropriate and desirable to provide for uniform and consistent statutory provisions with respect to operating a vehicle while using intoxicants. Your Committee further finds that the present inconsistent provisions relating to zero tolerance, impaired driving, and impaired boating have occurred largely as a result of patchwork legislation over time that amended some statutory provisions relating to impaired driving, but failed to make mirror amendments to other, similar offenses. Accordingly, your Committee believes that the Senate version of this bill, S.B. No. 1212, which reenacts and consolidates these provisions into a new, separate chapter within the Hawaii Revised Statutes, provides a better format to ensure that future legislative actions will maintain the consistency and uniformity established within this bill.

Your Committee has amended the bill by replacing its contents with that similar to S.B. No. 1212 and making the following additional changes:

- (1) Redesignating section -83, (which reenacts existing section 291-5, Hawaii Revised Statutes, relating to evidence of intoxication), as section -3, adding it to part I of the new chapter, and reinserting the existing language relating to presumptions;
- (2) Adding a new section -4 to part I to clarify that:
  - (a) Any offense under sections 200-81, 291-4, or 291-7, Hawaii Revised Statutes, as these sections were in effect prior to the bill's effective date, or any conviction in any other state or federal jurisdiction for any offense similar to these offenses or to operating a vehicle while under the influence of an intoxicant shall count as a prior offense; and
  - (b) Any violation of section 291-4.5, as that section was in effect prior to the bill's effective date, shall be counted as a prior violation;
- (3) Making similar amendments, with respect to convictions in any other state or federal jurisdiction for any similar offense, to the definitions of "alcohol enforcement contact" and "drug enforcement contact" in section -1 and to section -81(c) relating to prior offenses;
- (4) Making a number of conforming amendments;
- (5) Adding a new section to the bill requiring the Revisor of Statutes to prepare proposed conforming legislation to make necessary amendments to statutes that will be affected by the repeal of present statutory provisions, as provided in the bill;
- (6) Deleting the provision applying the bill retroactively to all proceedings and, instead, making the retroactive provision apply only to cases pending as of the bill's effective date that involve driving under the influence of drugs and making corresponding changes to the purpose section of the bill;
- (7) Changing the effective date to July 1, 2000, to provide additional time for the Judiciary and law enforcement agencies to develop new procedures and forms to ensure compliance with the bill; and
- (8) Making a number of technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 588 Energy and Environmental Protection on H.B. No. 1277**

The purpose of this bill is to exclude from the definition of "public utility" and regulation by the Public Utilities Commission, any facility that reclaims wastewater provided that at least ten percent of the wastewater processed is used by a state or county agency.

The Department of Health submitted testimony in support of this measure as it is consistent with the goals of conserving water resources and enhancing the quality of Hawaii's water. The Department of Environmental Services of The City and County of Honolulu submitted testimony in support of this measure, stating that the partnership entered into by the City with U.S. Filtering Services, Inc., was premised upon the assumption that the operation of the new facilities of the partnership would not be subject to regulation by the Public Utilities Commission. U.S. Filter Operating Services, Inc., submitted testimony in support of this measure citing the U.S. District Court consent decree that mandated its partnership project with the City as the basis for exempting the partnership project from regulation.

The Department of Commerce and Consumer Affairs submitted testimony in opposition to this measure, stating its belief that existing privately-owned wastewater treatment facilities will be effectively excluded from the definition of "public utility" under the bill. The Waimanalo Citizens for a Healthy Future submitted testimony in opposition to this measure stating environmental concerns regarding unregulated wastewater discharge.

Your Committee has amended this measure by providing that exempted facilities be solely engaged in processing wastewater produced by a municipal facility and that such facilities not engage in processing food waste nor making water sales to residential customers.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1277, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 589 Energy and Environmental Protection on H.B. No. 1548**

The purpose of this bill, as received by your Committee, is to define "recycled water" and "reclaimed water" as water, which, as a result of treatment of waste, is suitable for a direct beneficial use or a controlled use that would not otherwise occur and is therefore considered a valuable resource.

Testimony in support of the bill was received from the Department of Health (DOH), the Department of Environmental Services for the City and County of Honolulu, and the Honolulu Board of Water Supply. Waimanalo Citizens for a Healthy Future submitted testimony requesting that water from anaerobic digestion of garbage be included in the bill.

Your Committee finds that increasing the safe use of recycled water throughout the State is an important goal. The promotion of the recycled water program will assist the State in conserving its limited water resources and enhancing the water quality of Hawaii's waters.

Your Committee has amended this bill by:

- (1) Rewriting the findings section;
- (2) Directing the Director of DOH to give priority to adopting rules to encourage the reuse of water;
- (3) Providing that the rules shall also establish the definition and requirements of different categories of recycled water and reclaimed water, as well as recognizing different levels of treatment and purpose;
- (4) Changing the definition of "recycled water" and "reclaimed water" to mean wastewater that by design has been treated at a treatment works and is intended or used for a beneficial purpose; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1548, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1548, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 590 Ocean Recreation and Marine Resources on H.B. No. 709**

The purpose of this bill is to require the accurate labeling of aquatic foods by:

- (1) Prohibiting aquatic foods that are grown, manufactured, significantly processed, or landed outside of the State from being labeled as a product of Hawaii;
- (2) Prohibiting the use of Hawaiian names on aquatic foods originating outside of the State;
- (3) Prohibiting restaurants from using Hawaiian names for aquatic products originating from outside the State; and
- (4) Establishing a \$5,000 fine for each violation of the above.

Your Committee received testimony in favor of this bill from the Office of Hawaiian Affairs (OHA), the Big Island Fishermen's Association, Hawaii Fishermen's Foundation, Boats/Hawaii Inc., and several commercial fishers. The Hawaii Food Industry Association supported the intent of the bill. Testimony in opposition to this measure was received by the Department of Agriculture, and the Hawai'i Restaurant Association. The Department of Business, Economic Development, and Tourism (DBEDT) submitted comments.

Your Committee finds that mislabeling or deceptive labeling of aquatic products is a problem for both the local fishing industry and the consumer. Hawaii fishery operations must compete with cheaper, imported products often labeled with Hawaiian names and sold as local seafood. Many consumers, particularly visitors, are not aware of this and have no way of judging whether the "local catch" they purchase is truly from Hawaii.

Your Committee also finds, however, that referring to a fish type by its Hawaiian name is a strong marketing tool, especially for Hawaii's fledgling value-added seafood product manufacturers.

Your Committee has amended the bill by:

- (1) Deleting all references and provisions relating to restaurants;
- (2) Deleting the provision that prohibits aquatic foods that are grown, manufactured, significantly processed, or landed outside of the State from being labeled as a product of Hawaii;
- (3) Allowing the use of Hawaiian names on aquatic foods originating from outside of the State if the product qualifies as Hawaiian-made, or if the term "imported" or the region of origin precedes the Hawaiian name;
- (4) Changing the fine amount to \$0 for the purpose of continuing discussion of the bill; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 709, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 709, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 591 Ocean Recreation and Marine Resources on H.B. No. 1241**

The purpose of this bill is to appropriate funds for the continued support of the Pacific Congress on Marine Science and Technology (PACON), International.

PACON International is a non-for-profit organization established in Honolulu in 1982 with the goal of disseminating the latest information on marine science and technology among marine educators, scientists, technologists, and policy decision-makers in the Pacific Basin. To achieve this goal, PACON International holds major conferences and smaller symposia each year. The next major conference for PACON International will be held in Hawaii in the year 2000.

Chapters of PACON International have been established in Australia, China, Japan, Korea, India, Russia, Philippines, and throughout the continental United States. Chapters are currently being formed in Far Eastern Russia, Thailand, Indonesia, and Vietnam.

Your Committee received testimony in support of this bill from PACON International and a concerned individual.

Your Committee has amended this measure by changing the appropriation amount to \$1 for the purpose of continuing discussion of the bill.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1241, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1241, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 592 Finance on H.B. No. 1197**

The purpose of this bill is to conform the Hawaii Income Tax Law to the Internal Revenue Code.

H.B. No. 1197 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general ideas as to the purpose of the bill without specific details in long form.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1197, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1197, H.D. 1.

Signed by all members of the Committee except Representatives Catalani, Goodenow, Nakasone and Moses.

**SCRep. 593 Water and Land Use on H.B. No. 827**

The purpose of this bill is to create incentives for reinvestment in the resort infrastructure of the Banyan Drive resort area in Hilo, Hawaii, by providing a five-year opportunity for lessees within the Banyan Drive resort area to obtain new leases by applying to the Board of Land and Natural Resources.

The Department of Land and Natural Resources (DLNR) testified in support of this bill. The Banyan Drive Association and the Hawaii Island Economic Development Board supported its intent. The Hawaii Nanioloa Hotel supported the bill with certain amendments. The Office of Hawaiian Affairs opposed passage of this measure.

Your Committee has amended this bill by:

- (1) Deleting the requirement that DLNR develop a process to ensure the assumption of no market demand for the resort leases, including the option of issuing a request for proposal;
- (2) Requiring DLNR to develop a process to determine the residual value on the tenant improvements for the duration of the lease term, and allowing for arbitration to settle differences;
- (3) Requiring, rather than authorizing, that certain provisions be included in a new lease;
- (4) Deleting the requirement to improve the property with the term of the new lease to be co-terminus with a mortgage loan;
- (5) Requiring that the new lessee make substantial improvements to the property, and defining "substantial improvements" to mean alterations equivalent to at least ten per cent of the replacement cost of the existing facility or \$2,000,000, whichever is greater;
- (6) Authorizing DLNR to promulgate rules, including setting the terms for the completion of the substantial improvements for each lease;
- (7) Deleting the option of issuing one master lease to the existing lessees;
- (8) Specifying that new leases shall extend existing leases for a term not exceeding an additional thirty years;
- (9) Amending the purpose section; and
- (1) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 827, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 827, H.D. 2.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 594 Energy and Environmental Protection on H.B. No. 858**

The purpose of this bill is to create a Board of Certification Special Fund (Fund) to certify individuals to operate wastewater treatment plants. The Fund would provide the Board of Certification Operating Personnel of Wastewater Treatment Facilities (Board) with the necessary funds to carry out its responsibilities.

Prior to FY 1996, the Board had an annual budget of about \$10,000 which was adequate to carry out the responsibilities of the Board. Since FY 1996, however, the Board's budget has been reduced to only \$5,198 due to cuts from the Department of Health's



budget. The current budget is inadequate for the Board to effectively implement the mandatory certification program for wastewater treatment plant operations.

Currently, the Board generates approximately \$11,000 annually from registration and certification fees. The entire operational costs of the Board could be self-sustaining from revenues generated within the program. According to the State Auditor, a clear linkage exist between benefits sought and charges made since wastewater treatment plant operators, who are certified by the Board, pay fees to support the operations of the Board.

The Department of Health supports this measure, provided that it does not affect the proposed Executive Budget Request. The Waimanalo Citizens for a Healthy Future submitted testimony in support of 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 is in accord with the intent and purpose of H.B. No. 858 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 595 Consumer Protection and Commerce on H.B. No. 1071**

The purpose of this bill is to authorize the Insurance Commissioner to hire staff attorneys exempt from the civil service laws.

Your Committee received testimony in support of the measure from the Insurance Commissioner. State Farm Insurance Companies stated that it did not support the measure.

Your Committee finds that the Insurance Division requires flexibility in hiring and retaining attorneys outside of the civil service system.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1071, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Garcia, Hiraki, Takumi, Yoshinaga and Halford. (Representative Rath voted no.)

**SCRep. 596 Consumer Protection and Commerce on H.B. No. 351**

This measure seeks to encourage frank patient-to-physician disclosures and to protect individual privacy rights through the comprehensive regulation of the handling and release of personal medical information.

Testimony in support of this bill was received from a number of state agencies, including the Department of Health, the Insurance Division of the Department of Commerce and Consumer Affairs (DCCA), the Regulated Industries Complaints Office of the DCCA, and the Office of Information Practices (OIP). Testimony supporting the measure was also received from many private medical and other organizations. Seven private citizens and the American Council of Life Insurance testified in opposition to the bill.

Your Committee has assembled the following backdrop to the measure from the testimony submitted by those in support of the bill. Under existing law individuals have a right to privacy of their personal medical information, although it is one that is not absolute. Society currently recognizes supervening state interests in various areas, for example, to further law enforcement and health provider regulatory goals. The problem is that existing laws concerning protected personal medical information are ambiguous and piecemeal. They also inadequately protect an individual's privacy rights in the context of group health care systems, established as a result of public policies broadening affordable health care to all segments of our society. These group health plans have altered the traditional doctor-patient relationship to one that includes a multitude of parties including employers, health plan insurers and providers, the government, and quasi governmental accrediting entities, thus increasing the range of situations in which the individual privacy interest requires protection.

Those testifying supported the measure because it provides clear and comprehensive protection for individual medical information encompassing all entities with access to this information. They stated that the bill results in greater protections than under current law, and that under the bill, health plans and providers would have less access to personal medical information. Testifiers supported the measure because it:

- (1) Clearly sets parameters of acceptable, limited disclosure, use, and handling of personal medical information;
- (2) Establishes that all other uses require consent of the patient;
- (3) Requires holders of personal medical information to create and maintain information privacy practice safeguards, and OIP to adopt rules to implement this requirement;
- (4) Mandates that patients be given notice of a provider's medical information privacy practices;

- (5) Sets clear guidelines for obtaining informed, actual patient consent;
- (6) Supports medical research by allowing appropriate access to nonidentifiable health information;
- (7) Provides significant penalties for violation of an individual's privacy rights.

Your Committee has made changes to the bill as suggested by several testifiers, by:

- (1) Identifying health care data organizations as a member of the group of entities that handle personal medical information and are thus required to establish confidentiality safeguards;
- (2) Broadening the definition of "insurer" to encompass groups that are not employers or insurers subject to regulation by the Commissioner, but which purchase group insurance and may have access to regulated health information;
- (3) Allowing organizations implementing medical information privacy safeguards the flexibility to design safeguards appropriate to the size of the organization;
- (4) Facilitating patients' awareness and education regarding their privacy rights by requiring health care providers and other regulated organizations to make every effort to obtain the patient's signature on their notice of confidentiality practices;
- (5) Extending from two years to indefinitely, the protection given the health information of the deceased;
- (6) Enabling the Insurance Commissioner (Commissioner), to oversee insurers in matters outside the scope of this bill, by requiring that OIP give the Commissioner notice of investigations or other actions taken against persons regulated by the Commissioner;
- (7) Requiring that OIP report its progress toward rulemaking to the 2000 legislature; and
- (8) Making nonsubstantive amendments to the bill for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 351, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as H.B. No. 351, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Morita, Yoshinaga, Rath and Thielen.  
(Representative Halford voted no.)

**SCRep. 597 Consumer Protection and Commerce on H.B. No. 252**

The purpose of this bill is to prohibit unaccredited institutions from issuing degrees unless they comply with certain standards.

Testimony strongly supporting this bill was received from the Department of Commerce and Consumer Affairs (DCCA), the University of Phoenix, the Chamber of Commerce of Hawaii, the Hawaii State Teachers Association, the University of Hawaii, the University of the Nations, and the International University of Professional Studies. DCCA stated that the business of unaccredited degree granting institutions operating under Hawaii laws is burgeoning, and this bill will significantly enhance the DCCA's ability to prevent "diploma mills" from issuing Hawaii degrees. DCCA proposed amendments to further prevent unaccredited institutions from misleading consumers by referring to "pending accreditation" in promotional materials. This practice has caused much confusion among consumers.

Your Committee finds that the proliferation of "diploma mills" in this State is harmful to consumers and to all legitimate educational institutions. This bill provides consumer safeguards, including requiring clearer disclosures, prohibiting issuance of certain types of degrees, creating a mechanism for service of process, and requiring a level of physical presence in this State in order to operate. Your Committee further concurs with DCCA's recommendations, and has amended the bill to provide that no unaccredited institution shall disclose in any catalog, promotional material, or written contract for instruction, that it has applied for future accreditation. To avoid inconsistency between this amendment and the mandatory disclosure provisions, your Committee also has made technical amendments to the bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 252, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 252, H.D. 2.

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

**SCRep. 598 Consumer Protection and Commerce on H.B. No. 790**

The purpose of this bill is to require that new school buildings planned, designed, constructed, and equipped:

- (1) After July 2000, comply with hurricane resistant shelter criteria to be adopted by the adjutant general; and

- (2) Before July 2000, comply to the maximum extent feasible with hurricane resistant shelter criteria established by the adjutant general on July 20, 1997.

The Department of Accounting and General Services (DAGS) and the State Department of Defense (DD), submitted testimony supporting the intent of this measure and suggesting an amendment. The Department of Education testified in opposition.

DAGS testified that the State Civil Defense Division's Hurricane Emergency Sheltering Plan had determined that there was a need for more hurricane resistant shelters statewide, but felt that the sheltering requirements should only be imposed on buildings that serve as shelters, such as cafeterias, gyms, and auditoriums. DD proposed the bill be amended to give the State and counties discretion to designate the new buildings that would be required to comply with shelter criteria.

Your Committee is concerned for the safety of citizens in the event that a catastrophic hurricane returns to the islands, particularly those persons who live in those areas of our State where school buildings do not comply with hurricane shelter resistance criteria, and no shelter is readily available. In addition, your Committee is aware that the cost of building structures to comply with hurricane resistance standards is significantly less than the cost of retrofitting buildings that are not in compliance. Upon consideration of the bill and testimony submitted, your Committee has amended this measure in accordance with the DD's testimony.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 790, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 790, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Herkes, Hiraki, Yoshinaga and Rath.

**SCRep. 599 Consumer Protection and Commerce on H.B. No. 1026**

The purpose of this bill is to allow insurance companies to offset their insurance premiums with the low-income housing tax credit provided under the income tax law.

This bill extends the low-income housing income tax credit provided under the income tax law to the insurance premium tax imposed under the insurance law. The taxation of insurance premiums is not included in the income tax law, so insurance companies are not currently offered this incentive to develop low-income housing.

Your Committee heard testimony from the Housing and Community Development Corporation of Hawaii, and the Department of Taxation in support of the bill. The Department of Commerce and Consumer Affairs had no objections to the measure and the Tax Foundation of Hawaii submitted comments to your Committee.

Your Committee finds that this bill will encourage the inflow of capital into Hawaii. Providing insurance companies the same incentives that other corporations and financial institutions already enjoy will increase the interest in investing in low-income housing. Your Committee also finds that the structure of the credit will not increase the amount of tax credits provided by the State. It is anticipated that the same amount of credits will be stretched further and result in an increased number of low-income rental units.

Your Committee has amended this bill to clarify that the credit applies to insurance premium taxes rather than income taxes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1026, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1026, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Garcia, Hiraki, Takumi, Yoshinaga and Halford.

**SCRep. 600 Consumer Protection and Commerce on H.B. No. 1136**

The purpose of this bill is to expedite the process of making safe and less costly generic drugs available to the public by permitting the Board of Health to designate the Orange Book and its supplements, published by the Federal Drug Administration, as the state generic drug formulary.

The Department of Health and Longs Drugs submitted testimony in support of this measure, both stating that this measure will result in substantial savings to both consumers and the State Medicaid and Med-Quest programs and reduce delays in the delivery of generic products to the consumer.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1136, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Herkes, Hiraki, Yoshinaga and Rath.