

STANDING COMMITTEE REPORTS

SCRep. 1-00 Finance on H.B. No. 2150

The purpose of this bill is to authorize funds for the expenses of the Legislature up to and including June 30, 2001, and to provide funds for the expenses of the legislative support agencies during the 2000-2001 fiscal year.

Although there are signs of improvement in the economy, your Committee recommends that the Legislature lead by example. Your Committee has, therefore, recommended a no growth budget in this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2150, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 2-00 Transportation on H.B. No. 1757

The purpose of this bill, as received by your Committee, is to reinforce highway safety by increasing restrictions on the consumption of intoxicating liquors or the possession of their opened containers by drivers of motor vehicles.

Your Committee finds that the present law prohibits the consumption of intoxicating liquors or the possession of their opened containers by drivers while a motor vehicle or moped is being operated. The present law exempts the living quarters of trailers and campers from this prohibition.

This bill proposes to prohibit the consumption of intoxicating liquors or the possession of their opened containers while the driver is in the motor vehicles or on the moped, even while they are not being operated. This bill also proposes to remove the exemption for trailers and campers.

Testimonies in support of this measure were received from the Department of Transportation, the Police Department of the city and county of Honolulu, and Mothers Against Drunk Driving. The Office of the Public Defender testified that the provision concerning opened containers of intoxicating liquors is already part of Hawai'i law.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1757 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 Catalani and Okamura.

SCRep. 3-00 Transportation on H.B. No. 1764

The purpose of this bill, as received by your Committee, is to increase representation on the policy committee of the Metropolitan Planning Organization (MPO).

Your Committee is aware that the MPO is an advisory body to the legislature, the legislative bodies of the counties, and the appropriate agencies in carrying out transportation planning and programming for the counties, as required under federal laws and rules. Your Committee finds that the policy committee for MPO is comprised of thirteen members, representing various entities, including the State Senate, the State House of Representatives, county legislative bodies, the Director of Transportation, and the director of county departments responsible for transportation planning.

This bill proposes to increase the membership of the policy committee for MPO from thirteen to fifteen, by adding the chairperson of the citizens' advisory group, and a citizen member to be appointed by the governor to represent the private sector of the transportation industry.

Testimonies in support of this measure were received from the Leeward Oahu Transportation Management Association, and Dinell Associates, representing E Noa Corporation. The Department of Transportation submitted written testimony, but withdrew its testimony.

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. 1764 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 4-00 Health on H.B. No. 1794

The purpose of this bill is to appropriate funds for the continued operation of the Hawaii County Emergency Medical Services contracts.

A councilmember from the County of Hawaii testified in support of this measure. The Department of Health (DOH) testified in support of the intent of this measure, provided that the priorities established in the DOH's budget are not affected.

Your Committee notes that this bill is necessary to fully fund the Hawaii County Emergency Ambulance Service contract and to maintain the current level of service for the fiscal year 2000-2001.

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. 1794 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 5-00 Transportation on H.B. No. 1765

The purpose of this bill is to amend the functions of the Metropolitan Planning Organization (MPO).

Your Committee finds that the functions of the MPO in advising the Legislature, the legislative body of each county, and appropriate agencies in carrying out the state and county transportation planning and programming responsibilities, as required by federal laws and rules, do not conform to current federal requirements.

This bill makes housekeeping amendments to remedy the lack of conformity to federal laws and rules relating to MPO. This bill also makes an additional function: "Performing all activities necessary to comply with federal laws and rules relating to metropolitan planning organizations," clarifying the relationship between the federal and state governments.

Testimony in support of this measure was received from the Oahu Metropolitan Planning Organization. The Department of Transportation (DOT) supported the intent of the proposed bill, but suggested several amendments. However, DOT withdrew its testimony.

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. 1765 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 6-00 Transportation on H.B. No. 1768

The purpose of this bill is to provide additional information on the registration forms for motor vehicles.

Your Committee finds that there are occasions when it becomes necessary to locate the owner of a motor vehicle, or the legal owner, if different from that of the registered owner. Your Committee further finds that the home address of the owner and the business address of the legal owner, if different, are not required on vehicle registration forms. Your Committee further finds that some owners register their vehicles under their business addresses, rather than home addresses, making it difficult to contact them in cases of emergency, nor is the business address of the legal owner required.

This bill provides that vehicle registration forms contain the home address of the owner and business address of the legal owner, if different from that of the owner.

Testimony was received from an interested citizen, citing difficulty in reaching the owner for a law enforcement or other valid reason, who has registered the vehicle under the business address, if the business is not open.

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. 1768 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 7-00 Public Safety and Military Affairs on H.B. No. 2080

The purpose of this bill is to provide an exemption to military personnel who do not file a joint return to qualify for the household and dependent care tax credit.

Your committee received testimony in support of this measure on behalf of a member of the military who is a Hawaii resident stationed in California.

Currently, the law penalizes Hawaii military members who choose to maintain Hawaii residency as they move to duty stations outside the state if he or she is married to a non-resident of Hawaii and does not file a joint Hawaii tax return. Your committee finds that these military citizens serving outside of Hawaii deserve an exemption to allow them to claim this deduction. Your committee finds that without the credit it is likely that military members will not choose to remain citizens of Hawaii when they leave our state.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2080 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

SCRep. 8-00 Public Safety and Military Affairs on H.B. No. 1955

The purpose of this bill is to expand the membership of the Corrections Population Management Commission. As received by your committee, the bill added a member from the substance abuse treatment field. In addition, the original bill specified that the speaker of the house of representatives select a member who is a provider of services for exiting offenders and that the president of the senate select a member who is a scholar or expert in gender-specific corrections programs.

Testimony in support of this measure was submitted by the Department of Public Safety, Government Efficiency Teams, the Community Alliance on Prisons, and T.J. Mahoney and Associates.

Your committee finds that the testimony made a persuasive case for amending the bill to once again include members of the legislature. The testimony of the Department of Public Safety testimony that warned of the danger of the Commission becoming too big for consensus was balanced by your committee against the drafter's original intent to provide participation from concerned members of the civilian community. Therefore, your committee has also amended the bill to direct the governor to select a tenth member from a broader list of nominees. This list would not be limited to substance abuse treatment specialists, scholars, or providers of exiting needs, but instead could include any person nominated by members of the public under the more inclusive category of being knowledgeable of the concerns related to reintegration of offenders into our community.

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. 1955, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1955, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

SCRep. 9-00 Public Safety and Military Affairs on H.B. No. 2132

The purpose of this bill is to establish the offenses of cyber terrorism of a law enforcement officer and cyber terrorism.

Your committee received testimony in support of this measure from the Law Enforcement Division of the Department of Public Safety, the Honolulu Police Department, and a concerned citizen.

Your committee has amended this bill to refer to a more inclusive definition of "law enforcement officer" to eliminate any ambiguity. Your committee has also removed the words "law enforcement officer" from the cyber terrorism section since the intent of that section was to apply to victims not covered in the cyber terrorism of a law enforcement officer section.

Technical, nonsubstantive amendments were also made to this measure for the purpose of consistency and style.

In passing out this measure, your committee finds that the topic of this bill should inspire a much broader look at internet privacy issues. Although your committee focused primarily on those aspects of the bill pertaining to public safety, it is hoped that in subsequent hearings a discussion will emerge to determine if more comprehensive language is appropriate.

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. 2132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2132, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Chang.

SCRep. 10-00 Transportation on H.B. No. 1758

The purpose of this bill is to give the Department of Transportation an additional year to effectuate Act 175, SLH 1999.

Your Committee finds that Act 175, which was to become effective on January 1, 2001, provided for a graduated licensing procedure, including the stipulation that every applicant for a driver's license under the age of eighteen must complete a driver education program and behind-the-wheel driver training course certified by the director of transportation. Your Committee further

finds by giving the Department of Transportation an additional year to effectuate Act 175 that the programs can be better implemented.

The bill proposes to amend Act 175, SLH 1999, by amending the effective date to be January 1, 2002.

Testimony in support of this bill was received from the Department of Transportation.

Your committee has amended this bill by changing line 4 from "2002." to "except for section 2, subsection (b) which is to take effect on January 1, 2001." Act 175, 1999 SLH, increased the minimum age for a driver's license to 16 years. Section 2, subsection (b) clarifies that the driver education program and behind-the-wheel driver training program take effect upon 2002, but that the minimum age of a driver's license increase to 16 is effective January 1, 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. 1758, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1758, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 11-00 Transportation on H.B. No. 1763

The purpose of this bill, as received by your Committee, is to improve the safety of young bicyclists.

Your Committee finds that the use of bicycle helmets has proven to be an effective way of reducing head injury. Your committee further finds that by adding a new section which stipulates the use of bicycle helmets for persons under the age of 18 to Chapter 291C, Hawaii Revised Statutes part XIII, that child safety while bicycle riding will increase.

Testimonies in strong support of the bill were received from the Department of Transportation, Peoples Advocacy for Trails Hawaii, Keiki Injury Prevention Coalition/SAFE KIDS HI, the Department of Health, Hawaii Bicycling League, American Medical Response, the Honolulu Police Department, and two concerned citizens.

Your Committee has amended this bill by making the following amendments:

- 1) on page 1, line 8 and 9, replacing the words "as determined by the highway safety coordinator" with "such as the National Highway Traffic Safety Administration, the National Safety Council or the Children's Safety Network".
- 2) on page 1, line 15, by adding to the end of the first sentence of subsection (b) ", provided that the helmet was purchased on or after the date of the citation".
- 3) on page 2, line 13, striking the words "upon its approval" and inserting "on January 1, 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. 1763 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1763, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Catalani, Okamura and Fox.

SCRep. 12-00 Health on H.B. No. 2013

The purpose of this bill is to improve the collection of Hawaii's cancer statistics by requiring cancer cases detected in physician's offices, laboratories, free-standing radiation oncology facilities, and other treatment and pathology facilities to be reported to the Hawaii Tumor Registry or hospital-based registries.

The Department of Health, the American Cancer Society, and the Hawaii Medical Association testified in support of this measure.

Under current law, hospitals, skilled nursing homes, and intermediate care homes are required to report cancer cases to either the Hawaii Tumor Registry or hospital-based registries. However, with advances in medical technology, it is common for physicians to treat many cases of cancer outside a hospital setting. For example, dermatologists often diagnose and treat melanoma cancer in their offices, without their patients ever setting foot in a hospital.

Your Committee finds that this measure would ensure more accurate statistics on the incidence rate of cancer in the State, which is essential to adjust efforts in the prevention and early detection of cancer, as well as for research, grant monies, and national statistical purposes.

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. 2013 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 Representatives Lee and Stegmaier.

SCRep. 13-00 Health on H.B. No. 1903

The purpose of this bill is to assist the traumatic brain injury population by:

- (1) Establishing a task force to identify and eliminate public policy barriers to neurotraining services; and
- (2) Establishing a community-based neurotraining research, education, and training infrastructure.

Art Calendar Hawaii Database, the Craine Institute of Neuropsychology Community-based Healthcare, and one individual testified in support of this measure.

Your Committee finds that this measure provides the resources and leadership to capitalize on the strengths of Hawaii's locally-developed neurotraining as a culturally relevant solution for brain impairments.

Your Committee has amended this measure by:

- (1) Reducing the appropriation to \$1 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1903, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1903, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 14-00 Human Services and Housing on H.B. No. 1916

The purpose of this bill is eliminate duplicative child abuse reporting procedures by requiring mandated reporters to report suspected child abuse and neglect to either the Department of Human Service (DHS) or the police departments.

DHS, the Honolulu Police Department, and the Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of this measure. One individual submitted comments.

Act 271, Session Laws of Hawaii (SLH) 1999, required mandated reporters to report suspected child abuse and neglect to both DHS and the police departments. However, mandated reporters have expressed concerns that dual reporting is confusing, time-consuming, and redundant.

Additionally, there have been unintended consequences from Act 271, SLH 1999. Your Committee found that mandated reporters are hesitant to report, and sometimes fail to report, suspected child abuse to the police departments because, according to police procedures, reporters must disclose their name. Mandated reporters often want their names kept confidential; however, police procedures dictate otherwise. Allowing mandated reporters to report to either DHS or the police would alleviate this concern.

Your Committee believes that due to a procedure that is in place and a Memorandum of Agreement that exists between DHS and all county police departments, reports of child abuse are being shared among the agencies.

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. 1916 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 Kahikina, Lee and Stegmaier.

SCRep. 15-00 Human Services and Housing on H.B. No. 2371

The purpose of this bill is to stabilize General Assistance (GA) payments by authorizing the Department of Human Services (DHS) to retain any unexpended GA appropriations at the close of a fiscal year.

DHS, Kokua Council, the Welfare and Employment Rights Coalition, and one individual testified in support of this measure. The Department of Budget and Finance testified in opposition to this measure.

GA recipients are unable to count on a stable income because GA payments fluctuates quarterly based on the number of people participating in the program. Instead of retroactively providing adjusted benefits, which is the current practice, your Committee finds that this measure will help stabilize the payment amounts and enable persons to plan their lives more reasonably.

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. 2371 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 16-00 Human Services and Housing on H.B. No. 2104

The purpose of this bill is to increase the availability of affordable rental housing by authorizing \$10,000,000 in general obligation bonds and appropriating this sum to the Rental Housing Trust Fund (Trust Fund).

The Office of the Governor, Catholic Charities of the Diocese of Honolulu, the Hawaii Chapter of the Associated Builders and Contractors, Network Enterprises, the American Friends Services Committee, the Affordable Housing and Homeless Alliance, Wahine Builders, the Hawaii Catholic Conference, and an individual testified in support of this measure. The Housing and Community Development Corporation of Hawaii testified in support of the intent of this measure.

Your Committee finds that statewide demand for affordable rental housing for low and very low income households is substantial. Approximately 11,000 affordable units are projected to be needed over the next five years, about sixty percent of which are needed on Oahu. Consequently, the demand for Trust Fund project loans and capacity building grants has been very strong, and it appears that the demand will continue to increase.

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. 2104 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.

SCRep. 17-00 Human Services and Housing on H.B. No. 2506

The purpose of this bill is to protect children eligible for adoption by:

- (1) Requiring prospective adoptive parents to undergo a criminal history record check; and
- (2) Authorizing the Department of Human Services (DHS) to contract for home studies of prospective adoptive parents.

DHS and the Department of the Attorney General testified in support of this measure.

Your Committee finds that this measure will ensure the safety of children eligible for adoption by allowing DHS to obtain national and local criminal history record information on prospective adoptive parents, a requirement of the federal Adoption and Safe Families Act of 1997.

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. 2506 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 Stegmaier.

SCRep. 18-00 Human Services and Housing on H.B. No. 2515

The purpose of this bill is to eliminate administrative burdens placed upon the Department of Human Services (DHS) and the Bureau of Conveyances (Bureau) when filing liens. Specifically, this measure:

- (1) Removes the requirement that DHS file an annual update of its liens with the Bureau;
- (2) Clarifies the distinction between two different liens; and
- (3) Clarifies that DHS, as a creditor, may initiate probate proceedings.

DHS testified in support of this administration's 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. 2515 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 Stegmaier.

SCRep. 19-00 Human Services and Housing and Health on H.B. No. 2271

The purpose of this bill is to enable persons with developmental disabilities live an independent and productive life in the community by appropriating funds to match federal funds for the Medicaid Home- and Community-based Services Waiver Program (Program).

The Departments of Health (DOH) and Human Services (DHS), the State Planning Council on Developmental Disabilities (Council), the Arc in Hawaii, the Goodwill Industries in Hawaii, the Hawaii Disability Rights Center, the Special Education Center of Hawaii, the Easter Seals Hawaii, and several individuals testified in support of this measure.

The DOH has included in its supplemental budget request for fiscal year 2001 \$4,200,000 for the Program; however, the Council requested \$6,000,000 based on:

- (1) The emergency appropriation for fiscal year 2000 for 140 individuals to be admitted into the Program who will need funding for fiscal year 2001; and
- (2) 360 individuals who can be admitted into the Program off the wait list in increments of 30 individuals per month beginning July 1, 2000, through June 30, 2001.

Your Committees find that DOH's supplemental budget request of \$4,200,000 will not eliminate the wait list.

Your Committees have amended this measure by:

- (1) Clarifying that there are approximately 800 individuals who may be eligible for the Program;
- (2) Deleting the statement that the State has submitted an application to HCFA to serve 1,200 individuals by fiscal year 2001 since DHS is already authorized to do so; 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. 2271, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2271, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees.

SCRep. 20-00 Human Services and Housing on H.B. No. 2516

The purpose of this bill is to clarify that in third-party liability situations, and the Department of Human Services (DHS) prosecutes its own claims, intervenes or joins in any action, or actively participates with a claim or claimant's attorney in the prosecution of claims, DHS shall be allowed to recover its attorney fees and costs in addition to its reimbursement rights, claims, or liens provided by law.

DHS testified 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. 2516 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 Stegmaier.

SCRep. 21-00 Human Services and Housing and Health on H.B. No. 1846

The purpose of this bill is to maintain the role of the Good Beginnings Alliance (GBA) as the critical link for early childhood systems development by appropriating \$150,000 to GBA to continue coordination and implementation of its initiatives.

GBA, the Healthy Mothers, Healthy Babies Coalition of Hawaii, the Hawaii State Commission on the Status of Women, the Hawaii Chapter of the American Academy of Pediatrics, and an individual testified in support of this measure. The Departments of Human Services and Education testified in support of the intent of this measure.

Your Committees find that in 1998, H.C.R. No. 120, H.D. 1, S.D. 1, established the Joint Legislative Committee on Early Childhood Education and Care (Joint Legislative Committee) to encourage the development and implementation of policies that integrate early childhood education, care, protection, and health services. The Joint Legislative Committee found that GBA is a critical link for early childhood education and care efforts, as GBA is the focal point for policy development, disbursement of

public funds, and implementation of early childhood community plans. As such, the Joint Legislative Committee recommended, among other things, to appropriate funds to implement GBA's initiatives.

Your Committees are in full support of appropriating funds to GBA, thereby allowing GBA to continue its efforts to create a structure that cuts across existing social service systems to coordinate early childhood services for families with young children.

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. 1846 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 22-00 Health on H.B. No. 1844

The purpose of this bill is to train emergency services personnel in recognizing domestic violence injuries by appropriating funds to the counties for the development and implementation of protocols and the special training of paramedics in the treatment and care of domestic violence patients.

The Hawaii State Commission on the Status of Women, the Hawaii State Coalition Against Domestic Violence, the Domestic Violence Clearinghouse and Legal Hotline, and the Department of Emergency Services of the City and County of Honolulu testified in support of this measure. The Department of Health (DOH) testified in support of the intent of this measure, but did not believe that the authority for training paramedics and establishing domestic violence protocols should be delegated to each county.

Your Committee finds that the University of Hawaii, through its Kapiolani Community College (KCC) Emergency Medical Services (EMS) Training Centers on Oahu, Maui, Kauai, and the Big Island, provides continuing medical education for Hawaii's paramedics who staff ambulances statewide.

Your Committee further finds that EMS pre-hospital medical care standards are developed by DOH's EMS medical directors in consultation with emergency physicians statewide. This system of medical oversight ensures that there is continuity in the development of statewide medical care standards appropriate for emergency ambulance services and the delivery of quality pre-hospital medical care.

Therefore, your Committee believes that enhancement and funding the paramedic curriculum on domestic violence should remain with the current EMS educational system to provide for the continuity of knowledge for the recognition and treatment of domestic violence victims. To do otherwise would increase the potential to develop protocols inconsistent with EMS pre-hospital medical care standards.

DOH informed your Committee that KCC will develop EMS domestic violence curriculum and provide training for approximately 650 emergency medical personnel at the cost of \$18,065.

Your Committee has amended this measure by:

- (1) Appropriating \$18,065 to DOH to develop and implement statewide protocols and special training of paramedics in the treatment and care of domestic violence patients;
- (2) Deleting funding for the counties; 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. 1844, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1844, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 23-00 Transportation on H.B. No. 1762

The purpose of this bill is to clarify the scope of entities subject to civil penalties for failing to comply with the provisions of the Motor Carrier Law.

Your Committee finds that the present law identifies "shipper or consignee", among others, as being subject to civil penalties for failing to comply with the Motor Carrier Law. Your Committee further finds that "shipper and consignee" are thought of as being related to property, rather than passengers, thus providing a potential loophole for passenger carriers.

This bill deletes the words shipper and consignee, and replace them with the word "person" to indicate that all carriers, whether they be property or passenger carriers, must abide by the same rules.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1762 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs.

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

SCRep. 24-00 Transportation on H.B. No. 1761

The purpose of this bill is to redefine "advertising" as it relates to motor carriers of passengers or property, by extending its coverage.

Your Committee finds that it is a misdemeanor to advertise as a motor carrier unless the person holds a certificate or permit for the classification advertised. Your Committee further finds that "commercial advertising by airwave transmission" is included as a means of advertising, but that other technical means are not listed.

This bill proposes to include all media to protect legitimate motor carriers and consumers from evasion of the intent of the law by adding the words "or any and all communications media" to the listing of means of advertising.

Testimonies in support of this bill were received from the Public Utilities Commission, the Hawaii Transportation Association, and 20 licensed passenger carriers.

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. 1761 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. 25-00 Transportation on H.B. No. 1775

The purpose of this bill is to establish restrictions on the Public Utilities Commission (PUC) for the issuance of a temporary authority for a carrier to operate.

Your Committee finds that the directions for the PUC to issue a temporary operating authority lack specificity, and that temporary authority has been granted in situations that exceed the intent of the statute. Your Committee further finds that carriers, who have been granted temporary authority, may assume that a permanent authority will be forthcoming later.

This bill proposes procedures which must be followed by an applicant for a temporary operating authority, with more specific requirements, as used by the Interstate Commerce Commission. This bill also points out that the granting of a temporary authority does not imply that a permanent authority will be approved thereafter. The bill further proposes that any person who engages in carrier service, prior to PUC approval, will be denied any subsequent application for a period of two years, deeming such action as an attempt to evade regulatory purposes.

Testimony in support of this measure was received on behalf of a motor carrier, among other reasons, that it protects current operators from unfair competition from easily-obtained temporary authorities to operate. Testimonies in opposition were received from PUC and from a motor carrier. PUC testified that the proposed bill hampered expedient carrier aid in emergency situations. The motor carrier testified that the carrier industry is already excessively regulated, and that it should be deregulated, as in other states.

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. 1775 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.

SCRep. 26-00 Transportation on H.B. No. 1776

The purpose of this bill is to specify evidence which the Public Utilities Commission (PUC) must consider before granting a certificate of public convenience and necessity, and to assure that carrier service does not begin prior to approval.

Your Committee finds that applicants for certificates of convenience and necessity have not been provided sufficient guidelines by the PUC. Your Committee further finds that carriers may begin an activity prior to approval by the PUC, anticipating that its reason for applying will be acceptable to the PUC.

This bill proposes specific requirements taken from Hawaii case law which the applicant must follow, prior to action by the PUC. The bill also proposes that carriers, who begin operation prior to approval, will be penalized by denying such applications for a period of two years.

Testimony in support of this measure was received on behalf of a motor carrier. Testimonies in opposition were heard from the PUC and from a motor carrier.

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. 1776 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.

SCRep. 27-00 Transportation on H.B. No. 2090

The purpose of this bill, as received by your Committee, is to impose the same requirements and offer the same protections for health care providers of treatment for drug-impaired patients, who have been involved in motor vehicle collisions, as now exists for the treatment of patients with alcohol in their blood.

Your Committee finds that health providers, treating alcohol-impaired patients involved in vehicle collisions, who become aware that the alcohol content in the person's blood exceeds the legal amount, the provider shall notify any law enforcement officer at the facility. Your Committee further finds that health care providers treating alcohol-impaired patients are protected from civil liability for reporting to the proper authorities and for performing blood or urine tests.

This bill proposes to impose the same responsibility for health care providers, who are treating drug-impaired patients, for reporting their findings, and offers the same immunity from civil liability, as for health providers who are treating alcohol-impaired patients.

Testimonies in support of this bill were received from the Department of Transportation; the Police Department, city and county of Honolulu; and the Department of the Prosecuting Attorney, city and county of Honolulu. The Office of the Public Defender pointed out that the same amendments are incorporated in the proposed omnibus bill. Mothers Against Drunk Driving testified that the amendment may be premature.

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. 2090 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, Saiki and Takai.

SCRep. 28-00 Transportation on H.B. No. 2614

The purpose of this bill, as received by your Committee, is to authorize the Director of Transportation to establish administrative rules dealing with road use restrictions.

Your Committee finds that there is a potential danger to motorists when hazardous chemicals and materials are transported through Wilson Tunnel, and at the sharp curve at the Kaneohe side of the tunnel. Your Committee further finds that utilization of only the H-3 and Pali tunnels for transporting hazardous cargoes would not seriously impact commerce, and would be a health and safety asset for motorists.

This bill proposes to authorize the Director of Transportation to limit road use, by adopting restrictions, in areas that have greater than normal potential for developing into disaster areas, such as Wilson Tunnel, from accidental releases or spills of hazardous chemicals and materials. This bill also proposes to increase fines for violations of Section 286-8, Rules, from not more than \$1,000 to not more than \$2,000.

Testimonies in support of this measure were received from the Department of Transportation and an interested resident.

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. 2614 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, Saiki and Takai.

SCRep. 29-00 Transportation on H.B. No. 1910

The purpose of this bill is to reduce the number of residents which requires a county to establish a Metropolitan Planning Organization (MPO).

Your Committee finds, that under the present statute, only the city and county of Honolulu is required to establish a MPO, since it is the only county with a population in excess of 200,000. Inasmuch as the counties of Hawaii, Maui, and Kauai do not have sufficient populations to require a MPO, these counties have less input in advising agencies responsible for transportation planning related to airports, bikeways, harbors, highways, and transit and waterways within the respective county.

This bill proposes to reduce the number of residents for the requirement of a MPO from 200,000 to 100,000, thus requiring the counties of Hawaii and Maui to do so.

Testimony in opposition to this measure was received from the Department of Transportation. The Oahu Metropolitan Planning Organization pointed out that this bill may require Hawaii and Maui counties to establish Metropolitan Planning Organizations.

Your Committee has amended this bill by reducing the population necessary to require the establishment of a MPO from 100,000 to 50,000, which then, will also include the county of Kauai.

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. 1910, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1910, 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. 30-00 Transportation on H.B. No. 1759

The purpose of this bill is to extend the length of the three-year Traffic Enforcement Demonstration Project (Project), which was established by Act 234, Session Laws of Hawaii 1998, for four more years.

The Honolulu Police Department, Leeward Oahu Transportation Management Association, Chamber of Commerce of Hawaii, and Hawaii Nurses Association supported this bill.

The Department of Transportation (DOT) supported the intent of the bill, but recommended amending the bill by:

- (1) Extending the Project for two more years, instead of four years;
- (2) Authorizing the DOT to retain project contractors;
- (3) Establishing a revolving fund to be known as the Robocop Revolving Fund to allow DOT to reuse revenues generated by the Project to pay for its costs; and
- (4) Making other clarifying, housekeeping amendments.

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

- (1) Extending the Project for two more years;
- (2) Authorizing DOT to retain project contractors;
- (3) Establishing the Robocop Revolving Fund;
- (4) Allowing the use of photo technology systems to identify drivers in violation of designated uses of high occupancy vehicle lanes; and
- (5) Making other 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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1759, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1759, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

SCRep. 31-00 Finance on H.B. No. 1691

The purpose of this bill is to fulfill United States treaty obligations by recognizing a general excise and transient accommodations tax exemption for eligible foreign diplomats and consular officials in the State.

Testimony in support of this measure was submitted by the United States Department of State and the Consulate-General of Japan. Comments were received from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee has amended this measure by:

- (1) Amending the definition of "use" under the Use Tax Law to include the use of property, services, or contracting imported by foreign diplomats and consular officials who are holding cards issued or authorized by the United States Department of State granting them an exemption from state taxes;

- (2) Changing the effective date of the bill to July 1, 2000; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1691, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1691, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Kahikina, Kanoho and Schatz.

SCRep. 32-00 Finance on S.B. No. 1345

The purpose of the bill is to:

- (1) Increase judicial salaries by an unspecified amount over two years;
- (2) Appropriate unspecified amounts for each year of fiscal biennium 1999-2001 for judicial salaries; and
- (3) Change the retirement provisions for judges entering or re-entering service after June 30, 1999.

For purposes of public input and discussion, your Committee circulated and made available to the public a proposed draft of this bill that:

- (1) Provided a judicial salary increase of eleven per cent for each year of a two-year period beginning July 1, 1999;
- (2) Deleted the appropriation provision for judicial salaries; and
- (3) Deleted the retirement provisions for judges entering or reentering service after June 30, 1999.

Testimony in support of the proposed draft of this bill was received from the Judiciary, the United Public Workers, and Hawaii Women Lawyers.

Your Committee made several technical, nonsubstantive amendments to the proposed draft of this bill for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1345, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1345, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Kahikina, Kanoho and Schatz.

SCRep. 33-00 Economic Development and Business Concerns on H.B. No. 1930

The purpose of this bill is to assist in the development of business and technical training, especially from the Asia-Pacific region, by:

- (1) Directing the Director of Business, Economic Development, and Tourism to secure resources to conduct infrastructure project development and finance seminars in Hawaii; and
- (2) Appropriating funds for the establishment of a center for Asia-Pacific infrastructure development in Hawaii for infrastructure development and project training.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, MKEngineers, Lyon Associates, Inc., and two individuals.

Your Committee believes that this bill is important for Hawaii's small businesses by helping to create the kinds of business contacts and links that they need to more effectively market themselves and do business in the Asia-Pacific market.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1930 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Morihara, Suzuki, Halford, Rath and Whalen.

SCRep. 34-00 Economic Development and Business Concerns on H.B. No. 1969

The purpose of this bill is to appropriate funds to match federal funds for the establishment of manufacturing extension programs.

Testimony in support of this measure was submitted by the Oahu Economic Development Board, the Hawai'i Forest Industry Association, Industry Network Corporation, the Hawaii Fashion Industry Association, Martin & MacArthur, Arturo's, Marsh USA Inc., Hawai'i Gourmet Cookies, Inc., and an individual. The Department of Business, Economic Development, and Tourism (DBEDT) submitted testimony in support of this measure, provided the appropriation does not replace the current priorities in DBEDT's Supplemental Budget.

Your Committee finds that the Manufacturing Extension Program (Program) has made a significant impact on Hawaii's economy by creating nearly 400 jobs and producing much-needed assistance to manufacturing businesses in Hawaii over the last three years. Among other things, the Program has initiated new distribution channels, and supported small businesses in the Made in Hawaii Festival, the Hawaii Fashion Technology Training Center, the branding of the Hawaii Forest Products, the launching of the Hawaii Technology Trade Association, and the creation of e-commerce sites for manufacturers.

Your Committee has amended this measure by making technical amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1969, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1969, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Morihara, Suzuki, Halford, Rath and Whalen.

SCRep. 35-00 Economic Development and Business Concerns and Consumer Protection and Commerce on H.B. No. 1956

The purpose of this bill is to assist small businesses in this State, by:

- (1) Making the law enacting the Hawaii Small Business Regulatory Flexibility Act and the small business defender permanent;
- (2) Transferring the Small Business Regulatory Board and the small business defender to the Department of Budget and Finance (B&F) for administrative purposes; and
- (3) Appropriating funds for the small business defender.

Testimony in support of this measure was submitted by the Chamber of Commerce of Hawaii, the National Federation of Independent Business, the Small Business Regulatory Review Board, the Kona-Kohala Chamber of Commerce, the Big Island Business Council, and an individual. The Department of Business, Economic Development, and Tourism, B&F, the Hawaii Business League, and the Small-Business Economic Revival Force submitted comments on this measure.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1956 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 and Hiraki.

SCRep. 36-00 Economic Development and Business Concerns and Consumer Protection and Commerce on H.B. No. 1970

The purpose of this bill is to specify that the sale of prepaid telephone calling services is subject to the general excise tax (GET) at the point of sale.

GTE Hawaiian Telephone and AT&T testified in support of this bill, with amendments. The Department of Taxation commented on this bill.

Your Committees have amended this bill by:

- (1) Clarifying that all prepaid telephone calling services are subject to the GET rather than the public service company tax; and
- (2) Changing the effective date of the bill to September 1, 2000.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1970, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1970, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola and Hiraki.

SCRep. 37-00 Human Services and Housing and Health on H.B. No. 2278

The purpose of this bill is to ensure quality social work services by retaining licensure for social workers in Hawaii. Specifically, this measure:

- (1) Ensures the continuation of the State Social Work Licensing Program;
- (2) Allows for reciprocity with other state licensing programs; and
- (3) Establishes June 30, 2000, as the cutoff date after which the Academy of Certified Social Workers (ACSW) exam will no longer be accepted for licensure.

The U.S. Department of Defense, the Departments of Human Services and Health, the National Association of Social Workers, Catholic Charities of the Diocese of Honolulu, the Healthcare Association of Hawaii, the Waianae Coast Community Mental Health Center, Hawaii Nurses Association, Kahi Mohala, Easter Seals Hawaii, the Sex Abuse Treatment Center, and numerous individuals testified in support of this measure. The Department of Commerce and Consumer Affairs submitted comments.

The Legislative Auditor recommended in its report, "Sunset Evaluation Report: Social Workers," that the Legislature allow the social worker regulatory law to be repealed on December 31, 2000, as currently scheduled by law. Your Committees disagree with this recommendation and finds that without licensure:

- (1) Social workers would no longer be able to access private insurance and Medicaid reimbursement for mental health services, especially in child, adolescent, and adult mental health;
- (2) Hawaii would become the only state in the union to not regulate the social work profession; even the District of Columbia, Puerto Rico, and the Virgin Islands have provisions for licensing social workers;
- (3) Hawaii would not be able to use a nationwide reporting network to share information about social workers whose license have been revoked or whose practice has been sanctioned; and
- (4) Seventy percent of the social workers in the Department of Defense's (DOD) health care system in Hawaii would have to obtain a license in another state or seek employment elsewhere, as Title 10 of the United States Code, DOD Directives, and the Army, Navy, Air Force, and Marine Corps Regulations require all active duty and civil service social workers in the Military Health System to possess a professional license as a condition of employment in clinical or administrative positions.

Your Committees further find that the licensing of social workers offers needed protection for consumers of social work services. These consumers will continue to have the assurance that those calling themselves social workers will have met the requirements of an accredited masters program in social work, and have passed the intermediate level of a nationally standardized examination.

Your Committees have amended this measure by:

- (1) Inserting a drop dead provision on accepting pre-June 30, 1995, ACSW passing results;
- (2) Effectuating this Act upon its approval; 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 is attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2278, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2278, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representative Stegmaier.

SCRep. 38-00 Higher Education on H.B. No. 2061

The purpose of this bill is to facilitate the work of the Office of the Senior Vice President for Legal Affairs and University General Counsel, while protecting the assets of the University of Hawaii (UH), by:

- (1) Requiring that settlements and judgments against UH be paid from legislative appropriations;
- (2) Creating procedures for service of process upon UH; and
- (3) Clarifying that legal services to UH are to be provided by the University General Counsel.

The UH and the University of Hawaii Professional Assembly testified in support of this bill. The Research Corporation of UH offered comments on this bill, suggesting amendments.

Act 115, Session Laws of Hawaii 1998, provided a great deal of flexibility to the UH to manage its resources in a manner that would allow it to fully achieve its mission of teaching, conducting research, and providing community services. In providing this autonomy to the UH, it was not the intent of the Legislature to carve the UH out of the State government system. The UH is an integral part of the State government. However, the UH testified that part of Act 115, making UH responsible for paying settlements and judgments from its own assets and allowing the Board of Regents to request legislative appropriations for these payments, may jeopardize UH's claim of immunity. Currently, the federal courts look at whether judgments are payable from State funds as part of a five-prong test to determine whether an entity is an arm of the State for purposes of immunity. The proposed language in this bill requiring that settlements and judgments be paid from legislative appropriations is needed to strengthen UH's claim of immunity from suits in federal court under the Eleventh Amendment to the United States Constitution.

Upon further consideration, your Committee has amended this measure to make the procedures for serving process less restrictive than originally drafted. As amended, this bill will allow summons and complaint to be delivered to any attorney in the Office of the University General Counsel. Technical, nonsubstantive amendments were also made.

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. 2061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2061, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 39-00 Health on H.B. No. 2746

The purpose of this bill is to support the Peer Education Program which was established to address serious teen health issues, by appropriating:

- (1) \$520,595 for program maintenance and operating expenses of the current twenty-six schools providing peer education services; and
- (2) \$625,250 to add peer education services at ten more schools.

The Hawaii State Teachers Association, the Hawaii State Commission on the Status of Women, the Keiki Injury Prevention Coalition, Healthy Mothers, Healthy Babies, and numerous individuals testified in support of this bill. The Department of Health testified in support of the intent 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. 2746 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 40-00 Health on H.B. No. 2112

The purpose of this bill is to prevent or lessen the effects of conditions that could lead to developmental disabilities by providing a means for early childhood screenings when a child reaches the age of three. Specifically, this measure:

- (1) Provides parents or guardians access to developmental screening within ninety days prior to and following their child's third birthday; and
- (2) Directs the Departments of Health (DOH), Education (DOE), and Human Services (DHS), and the American Academy of Pediatrics to develop standardized screening and referral protocols.

The State Planning Council on Developmental Disabilities testified in support of this measure. Project SEEK, DHS, DOE, the Good Beginnings Alliance, and the Hawaii Association for the Education of Young Children testified in support of the intent of this measure.

DOH opposed to this measure, stating a lack of funds to support this proposal. However, DOH agreed that if given sufficient resources DOH can assure that three-year-old children will receive developmental screenings and appropriate follow-up and intervention.

Even if funding was appropriated, DOH noted that coordination with DOE is still needed.

Your Committee finds that since the authorization to provide early childhood screenings when a child reaches the age of three is not a mandate and is unenforceable, a more meaningful approach would be to improve the system of early childhood screenings.

Therefore, your Committee has amended this measure by:

- (1) Deleting the statutory provisions authorizing a means for early childhood screenings when a child reaches the age of three;
- (2) Requiring DOH and DOE to jointly develop a plan for a statewide system of developmental and behavioral screening, assessment, and intervention for three-year-old children;
- (3) Appropriating \$50,000 to plan the statewide system;
- (4) Providing that the plan be developed by June 30, 2001; 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. 2112, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2112, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 41-00 Health on H.B. No. 2160

The purpose of this bill is to fund services for traumatic brain injury victims.

Specifically, this bill creates a traumatic brain injury trust fund and a traumatic brain injury trust fund commission to disburse moneys from the trust fund to applicants for care and rehabilitative services for traumatic brain injury victims. The commission is empowered to adopt rules to govern applicant eligibility, manner of applying and review, criteria for award of disbursements, conditions for the use of awards, and limits on amounts of disbursements. The commission must also maintain records of commission expenditures and disbursements from the trust fund. It may also hire staff exempt from the civil service, provided that the commission is to utilize existing state resources and staff of the departments of human services, education, and health, to the greatest extent practicable.

The bill also authorizes the existing traumatic brain injury advisory board to advise the commission as well. For purposes of clarity of codification, section 321-28, Hawaii Revised Statutes, creating the advisory board is repealed and the same advisory board and functions are codified in the new chapter added by this bill to the Hawaii Revised Statutes.

Moneys from the trust fund are to be used to provide care and rehabilitative services to residents of the State who have survived a traumatic brain or spinal cord injury. The bill also assesses fines, for deposit into the trust fund, of ten per cent of the original fines for traffic code violations and operation of motor vehicles violations.

Your Committee finds that services for victims of traumatic brain injury are needed in Hawaii and a dedicated trust fund is necessary to support the provision of these services.

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

- (1) Elaborating on the purpose of the bill to include programs to educate the public about prevention of traumatic brain injuries, public health consequences of traumatic brain injuries, and services needed to treat and rehabilitate people who are victims of traumatic brain injuries; programs to train and educate professionals involved with individuals with traumatic brain injuries; and programs to fund research, evaluation, and advocacy activities to identify cost-effective strategies to meet the needs of traumatic brain injury survivors and their families that reduce the outlay of federal and state dollars under Medicaid;
- (2) Removing the definitions of "authority" and "trust fund" and adding the definitions of "board" and "traumatic brain injury";
- (3) Deleting the commission and sections that govern its meetings and powers and duties;
- (4) Deleting the repeal of the traumatic brain injury advisory board (section 321-28, Hawaii Revised Statutes) and instead amending section 321-28, HRS, to make the advisory board a substantive board by giving it jurisdiction and control

over the traumatic brain injury trust fund and requiring it to maintain records of the trust fund, provide the Legislature with an annual accounting of the trust fund's activities, and to adopt relevant rules. The structure of the board is left intact;

- (5) Amending the trust fund to allow disbursements for the following:
- (a) Programs to educate the public about:
 - (i) Prevention of traumatic brain injuries;
 - (ii) Public health consequences of traumatic brain injuries; and
 - (iii) Services needed to treat and rehabilitate people who are victims of traumatic brain injuries;
 - (b) Programs to train and educate professionals involved with individuals with traumatic brain injuries;
 - (c) Programs to fund research, evaluation, and advocacy activities to identify cost-effective strategies to meet the needs of traumatic brain injury survivors and their families; and
 - (d) Necessary administrative expenses; and
- (6) Amending sections 286-151.5, 286-157.3, 286-261, 291-4, 291-4.3, 291-4.4, and 291C-102, Hawaii Revised Statutes, relating to speeding tickets and DUI and related convictions, to impose a \$5 surcharge to any other penalties imposed by these sections, to be deposited into the traumatic brain injury trust fund.

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. 2160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2160, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 42-00 Judiciary and Hawaiian Affairs on H.B. No. 1939

The purpose of this bill is to exempt the Kahoolawe Island Reserve Commission from the prohibition against the employment or retention of attorneys by any department other than the attorney general.

Testimony in support of this bill was provided by the Kahoolawe Island Reserve Commission.

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. 1939 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, Garcia, Hiraki, Yoshinaga and Auwae.

SCRep. 43-00 Energy and Environmental Protection and Agriculture on H.B. No. 2204

The purpose of this bill is to encourage private sector investment in ethanol production facilities located in Hawaii by establishing an ethanol producer income tax credit of forty cents per gallon of qualifying production of fuel grade ethanol.

Ethanol can be produced from agricultural crops or by-products as well as municipal solid wastes. Up to ten percent of ethanol can be blended in gasoline without altering the performance or operating reliability of gasoline-powered vehicles.

The potential benefits of this new industry in Hawaii are numerous. A local ethanol industry can bolster the sugar industry, which is currently facing declining market prices. It could also stimulate the development of new crops, thereby providing new jobs and strengthening Hawaii's economy. Because agricultural residue, newspaper, municipal solid wastes, and other under utilized materials can be converted to ethanol, this new industry could address Hawaii's landfill and disposal problems. Finally, this new industry will help to decrease Hawaii's heavy dependence on imported petroleum.

Supporting testimony was submitted by E D & F Man Alcohol Inc., Hawaiian Commercial & Sugar Company (HC & S), Gay & Robinson, Inc., Pacific Biodiesel, Inc., the Hawaii Farm Bureau Federation, and the Hawaii Renewable Energy Alliance. The Department of Business, Economic Development, and Tourism supported the intent of this bill but deferred to the Department of Taxation regarding the tax implications. The Department of Taxation and the Western States Petroleum Association opposed this bill. The Tax Foundation of Hawaii offered comments.

Your Committees find that E D & F Man Alcohol Inc. is interested in working with HC & S to establish a local ethanol industry on Maui, provided that production incentives are offered.

Because this measure limits the tax credit to ethanol produced at a Hawaii facility, there were some concerns that this may violate the constitutional rights of out-of-state residents. According to the Department of Taxation, state laws that discriminate against interstate commerce are prohibited by the Commerce Clause of the United States Constitution. Accordingly, your Committees will continue its investigation into this matter.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2204 and recommend that it pass Second Reading and be referred to the Committee on Economic Development and Business Concerns.

Signed by all members of the Committees.

SCRep. 44-00 Higher Education on H.B. No. 2070

The purpose of this bill is to effectuate its title.

H.B. No. 2649 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 comments.

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. 2070, 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. 2070, H.D. 1.

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

SCRep. 45-00 Ocean Recreation and Marine Resources on H.B. No. 2569

The purpose of this bill is to convert the designation of the Commercial Fisheries Special Fund from temporary to permanent duration to ensure continued support and funding for commercial fisheries programs and activities.

Currently, all fees collected from the sale of commercial fishing permits and licenses are deposited into this Special Fund. Making the Special Fund permanent would ensure the long-term planning and funding for licensing of commercial fishers, commercial fisheries management, and their related markets.

Your Committee received testimony from the Department of Land and Natural Resources (DLNR) in support of this bill.

This bill will enable the DLNR to continue programs and activities related to commercial fisheries.

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. 2569 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 46-00 Ocean Recreation and Marine Resources on H.B. No. 2570

The purpose of this bill is to clarify that the assessment from the Boating Special Fund due to the General Fund for central services expenses shall be limited to five percent of revenues net of debt service.

This bill will provide the same criteria for assessment of the five percent of Boating Special Fund revenues for contribution to central services expenses that was in effect while the Boating Program was organized as a branch of the Harbors Division of the Department of Transportation. The Boating Special Fund is currently being assessed not only the full amount of annual debt service, but also the five percent of this amount before the debt service is paid.

The Department of Land and Natural Resources (DLNR), the Hawaii Government Employees Association, the Hawaii Boaters Political Action Association, and several individuals testified in favor of this bill.

Your Committee finds that this bill will enable the DLNR to plan and prioritize the use of projected revenues to meet the requirement of its customers.

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. 2570 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 47-00 Ocean Recreation and Marine Resources on H.B. No. 1949

The purpose of this bill is to designate the Department of Land and Natural Resources (DLNR) as the lead state agency for preventing the introduction and carrying out of the destruction of alien aquatic organisms through the regulation of ballast water discharges and hull fouling organisms.

This bill will implement the following recommendations of the Alien Aquatic Organism Task Force:

- (1) Designate the DLNR as the lead agency to prevent the introduction of alien aquatic species into Hawaii's environment;
- (2) Authorize the DLNR to draft rules and guidelines to address the problems of alien aquatic species;
- (3) Establish an interagency rapid response team to address concerns relating to the arrival of high risk vessels; and
- (4) Direct the DLNR to examine the feasibility of establishing a quarantine area and an onshore ballast water disposal/treatment facility in Honolulu Harbor.

The Department of Transportation, the Hawaii Audubon Society, the Sierra Club, Hawaii Chapter, the Hawaii Fisherman Foundation and BOATS Hawaii testified in support of this bill. The DLNR opposed this bill, because it will adversely affect its limited resources. The University of Hawaii's Environmental Center offered comments.

This bill was amended by:

- (1) Appropriating \$50,000 from the Commercial Fisheries Special Fund; and
- (2) Making technical, nonsubstantive amendments for purposes of consistency.

Your Committee finds that alien aquatic species pose a serious threat to the environment and economy of Hawaii. With the passage of this bill, the DLNR will serve as a liaison with the Coast Guard in dealing with vessels which may be carrying alien aquatic organisms. With the appointment of a lead agency to address this issue, the State may also be eligible to receive federal funds.

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. 1949, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1949, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 48-00 Ocean Recreation and Marine Resources on H.B. No. 1947

H.D. 1

The purpose of this bill is to strictly limit the possession, purchase, sale, or trade of shark fins by:

- (1) Prohibiting that no person shall harvest for sale, possess for sale, buy, sell, or trade shark fins unless the fins were taken from a shark landed whole in the State;
- (2) Stipulating that no person shall knowingly harvest for sale, possess for sale, buy, sell, or trade shark fins; and
- (3) Establishing penalties including: the forfeiture of shark fins, commercial license, vessel, and fishing equipment; and administrative fines of not less than \$5,000 and not more than \$15,000.

The Hawaii Fishermen's Foundation, the Office of Hawaiian Affairs, the Hawaii Audubon Society, the Earthjustice Legal Defense Fund, and several individuals testified in support of this bill. The Department of Land and Natural Resources (DLNR) supported the intent of this bill. The Hawaii Boaters Political Action Association and BOATS Hawaii opposed this measure. The Western Pacific Regional Fishery Management Council (WESPAC) and the University of Hawaii's Environmental Center offered comments.

Technical, nonsubstantive amendments were made to this bill.

Your Committee finds that this bill will positively address concerns over the wasteful and ecologically damaging fishing practice of harvesting a shark for only 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. 1947, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1947, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

SCRep. 49-00 Agriculture on H.B. No. 1994

The purpose of this bill is to provide necessary 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 bill was received from HARC, University of Hawaii College of Tropical Agriculture and Human Resources, Maui County Farm Bureau, Hawai'i Forest Industry Association, Alexander and Baldwin, Inc., Waialua Farmers Cooperative, Hawaii Farm Bureau Federation, Pineapple Growers Association of Hawaii, Gay & Robinson, Inc., and two individuals. The Department of Agriculture (DOA) testified in support of the bill, provided that the bill does not replace or adversely affect the priorities in DOA's Executive Biennium Budget.

It is your Committee's intent that funding for agricultural research and development by HARC be representative of a partnership between the public and private sectors, and therefore urges the various agricultural industry associations to contribute moneys to HARC's efforts.

Your Committee has amended this bill by:

- (1) Increasing the amount of the appropriation from \$750,000 to \$1,000,000; and
- (2) Making technical, nonsubstantive amendments for 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. 1994, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1994, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morihara.

SCRep. 50-00 Agriculture on H.B. No. 2023

The purpose of this bill is to provide a tax credit of ten per cent of the cost of improvements over \$20,000 to encourage private investment in the planning, design, construction, reconstruction, improvement, altering, or repair of existing agricultural infrastructures.

Your Committee finds that existing agricultural infrastructures must be preserved and reconfigured to support new agricultural ventures.

The Hawaii Farm Bureau Federation, Pineapple Growers Association of Hawaii, and a concerned individual submitted testimony in support of this measure. The Department of Taxation submitted testimony in opposition to this measure.

Your Committee has amended this measure by:

- (1) Reducing the improvement amount from \$200,000 to \$20,000;
- (2) Changing the effective date of the bill to apply to taxable years beginning after December 31, 1999; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2023, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2023, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morihara.

SCRep. 51-00 Agriculture on H.B. No. 2402

The purpose of this bill is to give the Department of Agriculture (DOA) blanket authorization to establish, increase, decrease, or repeal any fees under its jurisdiction pursuant to the Administrative Procedure Law (Chapter 91, Hawaii Revised Statutes).

DOA testified in support of this measure. The Hawaii Farm Bureau Federation supported this bill but recommended deleting blanket authority to establish any fees under its jurisdiction.

Your Committee notes that DOA has been reviewing the adequacy of the fees being charged by its various programs and the need to establish new fees to defray the costs of its activities. Your Committee further notes that not all of DOA's programs have statutory authority to establish fees pursuant to Chapter 91. This bill provides DOA with blanket authority to establish or amend any fee as necessary under one chapter, rather than amending each chapter to provide the various programs under DOA with statutory authority.

Your Committee has amended this bill by deleting reference to giving DOA blanket authorization to establish fees pursuant to Chapter 91.

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. 2402, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2402, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morihara.

SCRep. 52-00 Agriculture on H.B. No. 2789

The purpose of this bill is to appropriate funds to enable the Hawaii Organic Farmers Association to develop local and overseas markets for Hawaii-grown organic produce.

Testimony in support of this bill was submitted by a member of the Hawaii County Council, the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, the Big Island Farm Bureau, the Hamakua Farm Bureau, the Hawaii Organic Farmers Association, Maui Pineapple Company, Ltd., Hawaii Mamaki Tea Plantation, Melody Farm, Unity Food, Puna Organics, Papalele Farm, Hawaiian Moons Natural Foods, Inc., Hawaii-chi Trading Company, Hawaiian Herbal Supply, the Organic Certification Program of the Hawaii Organic Farmers Association, Ono Organic Farms, Source Natural Foods, Maui Medicinal Herbs, Inc., the Sierra Club, Hawai'i Chapter, and numerous individuals. Comments were submitted by the Department of Agriculture.

Your Committee has amended this bill by:

- (1) Decreasing the total amount of the appropriation from \$80,000 to \$50,000;
- (2) Deleting the appropriated amounts that are encompassed under the total appropriation; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2789, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morihara.

SCRep. 53-00 Agriculture and Energy and Environmental Protection on H.B. No. 2405

The purpose of this bill is to strengthen the Hawaii Pesticides Law by:

- (1) Defining "integrated pest management";
- (2) Amending the definition of "pest" to more closely track the definition under federal law;
- (3) Allowing the Pesticide Use Revolving Fund (Fund) to be used for the development of integrated pest management strategies and personnel costs;
- (4) Removing the ceiling on the balance of the Fund and allowing the Fund to retain all moneys;
- (5) Clarifying that penalties imposed by the Board of Agriculture are administrative penalties and providing procedures to recover administrative penalties imposed;
- (6) Deleting pesticides that are no longer registered for use from coloration requirements; and
- (7) Exempting pesticides deregulated by the U.S. Environmental Protection Agency (EPA) from regulation in Hawaii.

The Department of Agriculture and the Hawaii Farm Bureau Federation testified in support of this measure. RESCUE Hawaii testified in support of the measure with an amendment. Comments were received from the University of Hawaii at Manoa Environmental Center.

Your Committees have amended this bill by:

- (1) Broadening the definition of "integrated pest management" to include eradication strategies;
- (2) Specifying that pesticides exempted by the EPA pursuant to title 7, United States Code, section 136w(b) relate to food grade substances; and
- (3) Making technical, nonsubstantive amendments for clarity and consistency.

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. 2405, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2405, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Herkes, Ito, Morihara, Halford, Rath, Takumi and Meyer.

SCRep. 54-00 Human Services and Housing and Health on H.B. No. 2166

The purpose of this bill is to ensure that a continuum of services for the prevention of child abuse is available by appropriating funds for various programs and services for the protection of children and families.

The Department of Human Services (DHS) testified in support of this measure, provided that it does not replace or adversely impact the priorities established in the Executive Budget. The Department of the Attorney General (AG) testified in support and suggested modifications to this measure. The Departments of Health (DOH) and Education testified in support of the intent of this measure.

Child abuse is a complex problem with many causes. To act upon the Legislature's commitment to prevent child abuse, your Committees find that successful prevention strategies will require addressing a wide range of needs. However, given the lack of State resources, your Committees will narrow the scope of this measure to reflect the community's current needs.

Your Committees have amended this measure by:

- (1) Deleting provisions relating to:
 - (A) DOH administrative expenditures;
 - (B) AG administrative expenditures;
 - (C) The Hawaii Children's Trust Fund;
 - (D) Healthy Start;
 - (E) Substance abuse treatment services for pregnant and parenting women and the families; and
 - (F) Blueprint for Change;
- (2) Appropriating \$500,000 to provide intrafamilial sex abuse treatment for children not in the child protective services system;
- (3) Clarifying the purpose and findings section to recognize that the medical/health case management is complicated and needs improvement;
- (4) Deleting DHS' authority and appropriation to establish a half-time physician position for medical/health case management; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on 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. 2166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2166, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 55-00 Agriculture on H.B. No. 2973

The purpose of this bill is to appropriate funds to eradicate miconia in the counties of Hawaii, Kauai, and Maui.

Testimony in support of this measure was received from the Hawaii Forest Industry Association, the Maui Invasive Species Committee, Tri-Isle Resource Conservation and Development Council, Inc., the Big Island Invasive Species Committee, Na Leo Pohai, the Hawaii Audubon Society, the Nature Conservancy of Hawaii, the Sierra Club, Hawaii Chapter, and several individuals. The Department of Agriculture (DOA) submitted testimony in support of this bill, provided that the bill does not replace or adversely affect the priorities in DOA's Executive Biennium Budget. Comments were submitted by Lyon Arboretum, the United States Department of Agriculture Forest Service, and several individuals.

Your Committee recognizes that the spread of miconia is a statewide problem, and if miconia is not controlled or eradicated, it will overrun much of the State's native forests and wayside areas. It is your Committee's belief that increased county support to eradicate miconia will accelerate efforts to wipe out this noxious weed, and therefore urges the respective counties to contribute county funds and resources to miconia eradication efforts.

Your Committee has amended this bill by:

- (1) Expanding the scope of the appropriation to include the County of Kalawao and the City and County of Honolulu; and
- (2) Specifying that miconia eradication efforts are to be a cooperative effort of the DOA and the Department of Land and Natural Resources.

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. 2973, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2973, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Ito, Halford and Rath.

SCRep. 56-00 Health and Economic Development and Business Concerns on H.B. No. 2161

The purpose of this bill is to create a stronger small business environment for assistive technology providers and repair persons by addressing three critical issues relating to assistive technology devices and procurement. Specifically, this bill:

- (1) Requires interagency cooperative purchasing agreements among agencies involved in the procurement and acquisition of assistive technology devices and services;
- (2) Gives small businesses preference to the assistive technology devices and services procurement process; and
- (3) Expands training and development for the procurement of assistance technology devices and services.

The Assistive Technology Resource Centers of Hawaii and two individuals testified in support of this measure. The Departments of Business, Economic Development, and Tourism and Accounting and General Services (DAGS) testified in support of the intent of this measure.

DAGS testified that while this measure is related to the acquisition of assistive technology devices, it does not mean that its provisions should be placed in the Hawaii Public Procurement Code (Chapter 103D, Hawaii Revised Statutes (HRS)). DAGS believes that Hawaii's procurement laws on cooperative procurement are general and should remain so. Additionally, DAGS believes that the provisions of this bill relate to the program's operations, and not to the procurement procedures.

Your Committees agree with DAGS and have amended this measure by:

- (1) Placing assistive technology provisions in a new chapter in Title 20, HRS (Social Services); 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 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. 2161, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2161, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees except Representatives Stegmaier, Abinsay, Ito, Morihara, Suzuki, and Halford.

SCRep. 57-00 Higher Education on H.B. No. 2375

The purpose of this bill is to appropriate funds to the School of Ocean and Earth Science and Technology's Marine Bioproducts Engineering Center (MarBEC) at The University of Hawaii at Manoa as follows:

- (1) \$300,000 to develop and establish a bioreactor development and training program; and
- (2) 750,000 for cost sharing for the operation of a research vessel under construction.

The University of Hawaii Professional Assembly testified in support of this bill. The University of Hawaii supported the intent of this bill.

Your committee adopted the recommendation of the University and omitted the reference to MarBEC as the recipient of the cost sharing funds, as ship operations are not a function of MarBEC.

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. 2375, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2375, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 58-00 Transportation on H.B. No. 2794

The purpose of this bill is to clarify the current excise tax law with regard to its applicability to offshore aircraft leasing companies.

Your Committee finds that intrastate transportation needs between the islands of Hawaii are currently served primarily by air carriers, serving both residents and tourists. Your Committee further finds that the two major interisland air carriers have made and will continue to make capital improvement investments to help the economy of the State, and support our major industry, tourism. Your Committee further finds that out-of-state industries, which lease aircraft and aircraft engines to local carriers, are subject to Hawaii's excise tax, which would be passed along to local air carriers.

This bill exempts the amount that out-of-state lessors receive from leasing of aircraft for commercial use from Hawaii's excise tax law.

Testimony in support of this measure was received from Hawaiian Airlines. The Department of Taxation testified in opposition to this bill, citing that it would result in a revenue loss. The Tax Foundation of Hawaii provided comments.

Your Committee has amended the proposed measure by amending its effective date from July 1, 2000 to July 1, 2020.

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. 2794, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2794, H.D. 1, and be referred to the Committee on Economic Development and Business Concerns.

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

SCRep. 59-00 Human Services and Housing on H.B. No. 536

The purpose of this bill is to effectuate its title.

H.B. No. 536 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 Human Services and Housing that is attached to this report, your Committee is in accord with the action to report out H.B. No. 536, as amended herein, and recommends that it be recommitted to the Committee on Human Services and Housing, for the purpose of holding a public hearing thereon, in the form hereto as H.B. No. 536, H.D. 1.

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

SCRep. 60-00 Human Services and Housing on H.B. No. 537

The purpose of this bill is to effectuate its title.

H.B. No. 537 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 Human Services and Housing that is attached to this report, your Committee is in accord with the action to report out H.B. No. 537, as amended herein, and recommends that it be recommitted to the Committee on Human Services and Housing, for the purpose of holding a public hearing thereon, in the form hereto as H.B. No. 537, H.D. 1.

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

SCRep. 61-00 Human Services and Housing on H.B. No. 540

The purpose of this bill is to effectuate its title.

H.B. No. 540 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 Human Services and Housing that is attached to this report, your Committee is in accord with the action to report out H.B. No. 540, as amended herein, and recommends that it be recommitted to the Committee on Human Services and Housing, for the purpose of holding a public hearing thereon, in the form hereto as H.B. No. 540, H.D. 1.

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

SCRep. 62-00 Transportation on H.B. No. 2185

The purpose of this bill is to provide an alternative for transportation in West Maui when Honoapiilani Highway is impassable by authorizing the development of a heliport on the Olowalu Sanitary Landfill site.

Your Committee finds that the West Maui community is frequently isolated by brushfires, high waves, and major traffic accidents when it becomes necessary to close Honoapiilani Highway, which is the major route for ingress and egress to other parts of Maui. This situation causes inconvenience, and sometimes economic loss, for residents, prevents visitors from leaving or arriving at hotels, and prevents emergency medical attention. Your Committee further finds that the provision of a heliport would be one solution to help this community cope with emergencies.

This bill authorizes the County of Maui to lease by direct negotiation and enter into an agreement with a private developer to provide a heliport at the Olowalu Sanitary Landfill. All funds from the leasing of this area will be used for maintenance of the landfill.

Testimonies in support of this measure were received from the Office of the Mayor, County of Maui, and from Landtec, Inc. which offered suggestions for amendments. The Board of Land and Natural Resources cited reasons for not taking a position.

Your Committee has amended this bill by making the following amendments:

- (1) Stating that helicopter operations have been developed on former landfills on the mainland;
- (2) Stating that the leasing of portions of the landfill site is consistent with the Executive Order because the revenues will be used to reduce the County's costs in maintaining the site;
- (3) Requiring approval of the lease by the Board of Land and Natural Resources to be consistent with chapter 171, Hawaii Revised Statutes;
- (4) Stating that funds from the leasing of the area are to be used for the maintenance of the landfill and subject to the Hawaiian Homes Commission Act of 1920, as amended, and section 5(f) of the Admissions Act of 1959; and
- (5) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2185, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2185, H.D. 1, and be referred to the Committee on Water and Land Use.

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

SCRep. 63-00 Transportation on H.B. No. 1777

The purpose of this bill is to clarify the responsibility of the Public Utilities Commission (PUC) in considering applications for certificates of public convenience for carriers and permits for contract carriers.

Your Committee finds that the PUC has granted applicants authority beyond the conditions in their applications for permits and certificates of public convenience. Such actions circumvent the public notice given to the consumer advocate and the general public.

This bill would require carrier applicants to adhere strictly to the services, routes, and vehicle types proposed in their applications for certificates and permits. Further, if a carrier engages in a motor carrier operation without prior written authority granted by the PUC, this would constitute prima facie evidence of attempting to evade the PUC regulations and constitute grounds for the PUC to deny any application for a permit for two years.

Testimony in support of this measure was received on behalf of a carrier, testifying that the PUC should not permit the exceeding of the scope of service proposed in an application. The PUC testified in opposition to this bill on the grounds that it creates an unreasonable burden on carriers and the PUC. A carrier also opposed this bill on the basis that the carrier industry should be deregulated. The Hawaii Transportation Association testified against including specific types of vehicles to be employed in the carrier application.

Your Committee has amended this bill by:

- (1) Limiting the specificity required of an applicant to only passenger carrying applicants;
- (2) Deleting reference to the differentiation between standard and specialty vehicles, but adding motor coaches as an example of a vehicle type; and
- (3) Making other technical, nonsubstantive amendments for consistency 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. 1777, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1777, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

SCRep. 64-00 Transportation on H.B. No. 2619

The purpose of this bill, as received by your Committee, is to authorize construction and maintenance work on the freeway and freeway ramps between Nuuanu Avenue and Sixth Avenue on Oahu to temporarily exceed State noise standards without a variance from the Director of Health.

Your Committee finds that the Department of Transportation has faced difficulty in obtaining a noise waiver from the Department of Health for night construction and maintenance. Your Committee further finds that by temporarily exceeding noise variances, freeway construction and maintenance work will be completed faster and be more cost effective.

Testimonies in support of this bill were received from the Department of Transportation and two concerned citizens.

Your Committee has amended the proposed bill by making the following amendments:

- (1) Clarifying that there will be no prohibition of authorized construction and maintenance work on the freeway and freeway ramps between Nuuanu Avenue and Sixth Avenue for which prior concurrence for an exemption has been obtained from the H-1 corridor task force established by the Department of Transportation; and
- (2) Making technical, nonsubstantive amendments for style, consistency, 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. 2619, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2619, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 65-00 Transportation on H.B. No. 1767

The purpose of this bill is to assuage traffic delays caused by highway obstructions by granting tort liability immunity to state and county employees by amending chapter 286, Hawaii Revised Statutes(HRS).

Your Committee finds that under current law, state and county workers may be found liable for damages incurred while moving road obstructions. Your Committee further finds that giving the Department of Transportation(DOT) immunity when moving stalled vehicles will expedite the process of clearing blocked highways.

Testimonies in support of this bill were received from the DOT and the Honolulu Police Department. Consumer Lawyers of Hawaii voiced opposition regarding this bill.

Upon further consideration, your Committee deleted the substance of the bill and inserted provisions that would only limit the liability of the state and its employees in specified instances. Specifically, this bill would:

- (1) Grant DOT tort liability immunity for the removal of obstructions from state highways;
- (2) Make the owner and carrier of obstructions jointly and severally liable for reimbursing DOT for costs of removal and disposition;

- (3) Allow DOT to assist stranded motorists to protect public safety or improve traffic flow;
- (4) Make the person receiving assistance and the registered owner or owners of the vehicle involved jointly and severally liable for reimbursing DOT for costs of services relating to assisting stranded motorists; and
- (5) Require DOT to report annually to the Legislature on related expenditures and revenues.

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. 1767 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1767, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Okamura.

SCRep. 66-00 Transportation on H.B. No. 1899

The purpose of this bill is to provide greater safety for pedestrians while they are crossing roadways.

Your Committee finds that pedestrians need greater protection while crossing roadways, since 13 pedestrians were killed while crossing roadways in 1999, 6 of whom were in marked crosswalks. Clarification is needed relative to the responsibility of drivers and rights of pedestrians at crosswalks on multilane roadways with center raised medials.

This bill would require drivers to slow down or stop to a pedestrian crossing the roadway within a crosswalk, whether the pedestrian is upon the half of the roadway upon which the vehicle is traveling or upon the other half of the roadway upon which the vehicle is not traveling.

Testimonies in support of this measure were received from the Honolulu Police Department, the Hawaii Nurses Association, and an interested citizen.

Your Committee has amended this bill by:

- (1) Requiring drivers approaching from both directions to slow down and stop to yield to pedestrians when they enter crosswalks;
- (2) Providing that the driver shall slow down and stop for a pedestrian within a crosswalk on a multilane roadway with a raised center medial only when the pedestrian is upon the half of the roadway upon which the vehicle is traveling; and
- (3) Making other technical, nonsubstantive amendments for 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. 1899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1899, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 67-00 Transportation on H.B. No. 2053

The purpose of this bill is to expand the scope of the offense of another person's motor vehicle (UCPV) to include reckless unauthorized control.

Your Committee finds that passage of this bill will assist the Honolulu Police Department and the Department of the Prosecuting Attorney in successfully prosecuting UCVP cases where the defendant claims, even though the car may be stolen, that he or she thought that the person had permission from the rightful owner of the vehicle. Your Committee further finds that, by the addition of the term "recklessly", the accused will have less chance of evading justice.

This bill adds "recklessly" to strengthen the statute relative to UCVP, making it easier for police to provide evidence to the jury that the person was operating the vehicle without the owner's consent or by changing the identity of the vehicle without the owner's consent.

Testimonies in support of this measure were received from the Department of Transportation; the Honolulu Police Department and the Department of the Prosecuting Attorney of the City and County of Honolulu. The Office of the Public Defender raised issues about the fairness of the bill, and cited several examples for which the bill seems inappropriate.

Your Committee as amended this bill by correcting a drafting error.

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. 2053, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2053, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Okamura.

SCRep. 68-00 Transportation on H.B. No. 2128

The purpose of this bill is to amend the implied consent provisions of section 286-151, Hawaii Revised Statutes, by:

- (1) Authorizing a drug or alcohol test for habitually driving under the influence(DUI) of drugs or alcohol; and
- (2) Authorizing the use of a preliminary alcohol screen analysis in establishing probable cause for a DUI arrest.

Your Committee finds that in some cases habitual DUI offenders do not appear to be drunk, however, their blood alcohol concentration exceeds the legal limit and they are at a high risk for causing a crash. Your Committee further finds that a preliminary alcohol screening will assist the police in identifying impaired drivers and determining probable cause for a DUI arrest.

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 Honolulu Police Department, and Mothers Against Drunk Driving. The Office of the Public Defender and a member of the Hawaii Association of Criminal Defense Lawyers voiced concerns in opposition to the bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments to conform to drafting conventions.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2128, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2128, 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. 69-00 Transportation on H.B. No. 2612

The purpose of this bill is to amend section 264-101, Hawaii Revised Statutes(HRS), to clarify that certain unauthorized vending activities on the States' highways violate the public's property rights and safety.

Your Committee finds that current street vending statutes are ambiguous. Your Committee further finds that the language of section 264-101 and 264-102, HRS, have discrepancies that have been met with difficulty in trial.

This bill clarifies the law and enables any judge or prosecuting attorney to clearly understand what activities violate highway vending statutes.

Testimony in support of this bill was received from the Department of Transportation. The Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of the bill and suggested amendments.

Your Committee has amended the proposed bill by making the following amendments:

- (1) Prohibiting the parking or placing of a vehicle or structure wholly or partly on any highway for vending purposes;
- (2) Prohibiting vending on highways when the situation creates a hazardous condition or a public nuisance, or is in reckless disregard of the risk of creating a hazardous condition or public nuisance;
- (3) Replacing the term "state highways" with "highways", to apply vending statutes to both state and county highways and defining "highways" as the entire width of the public highway;
- (4) Making the violation of vending from highways a petty misdemeanor with a fine of no more than \$1,000, imprisonment for no more than thirty days, or both; and
- (5) Making other technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2612, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2612, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 70-00 Transportation on H.B. No. 1881

The purpose of this bill is to consolidate and conform offenses relating to operating a vehicle while under the influence of intoxicants.

Your Committee finds that statutes relating to operating a motor vehicle while under the influence of intoxicants have been enacted at various times and have inconsistent statutory provisions, including disparate penalties for similar offenses and inconsistent access to trial by jury. Your Committee further finds that a consolidation of the contents of the various statutes into a single statute, and making necessary amendments to create uniformity was requested in H.C.R. NO. 26, H.D. 2, S.D. 1, in 1998.

The bill consolidates the various statutes relating to operating a vehicle while under the influence of intoxicants, and makes these provisions more uniform and consistent.

More specifically, the bill:

- (1) Combines all impaired driving offenses in one section;
- (2) Consolidates implied consent provisions for driving under the influence of intoxicating liquor, driving under the influence of drugs, impaired boating offenses, and driving with a measurable amount of alcohol(zero tolerance);
- (3) Consolidates impaired driving and boating offenses in the administrative revocation process; and
- (4) Clarifies penalties incurred by the aforementioned offenses.

Testimonies in strong support of this bill were received from the Department of Transportation, the Judiciary, the Board of Land and Natural Resources, the Department of the Prosecuting Attorney of the City and County of Honolulu, and Mothers Against Drunk Driving. Late testimonies in support of the intent of this bill were also received from the Office of the Public Defender, the Honolulu Police Department, and a member of the Governor's Impaired Driving Task Force.

Your Committee has amended the bill by substituting the term "law enforcement officer" for the term "police officer" in the new statutory provisions dealing with minimum standards for roadblock procedures.

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. 1881, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1881, 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. 71-00 Energy and Environmental Protection on H.B. No. 839

The purpose of this bill is to exempt from the general excise tax requirements all amounts received by certain wastewater treatment operators when the treated wastewater is used by the county.

This bill will benefit U.S. Filter Operating Services, Inc., which was awarded a bid from the City and County of Honolulu (City) to recycle secondary treated wastewater produced by the City's wastewater treatment plant in Honouliuli. The genesis of this project is a federal consent decree pursuant to a lawsuit brought against the City by the U.S. Environmental Protection Agency.

U.S. Filter's water reclamation facility will prevent approximately 10-13 million gallons per day (mgd) of secondary treated wastewater from being discharged into ocean waters through an outfall. Instead, the recycled or reclaimed water will be used as follows:

- (1) Approximately five mgd will be sold to industrial facilities at Campbell Industrial Park;
- (2) Six mgd will be used by the City; and
- (3) The remaining balance will be sold for irrigation.

Three organizations submitted testimony at both hearings held on this measure in 1999 and 2000:

- (1) U.S. Filter supported this bill;
- (2) The Department of Taxation opposed this measure; and

- (3) The Tax Foundation of Hawaii offered comments.

During the most recent hearing, the City Department of Environmental Services also supported this measure.

Your Committee finds that the cost effectiveness of this project would be enhanced if the revenues derived by the contractor from sales to the City is exempted from the general excise tax. U.S. Filter estimates that the tax burden is approximately \$100,000.

While this measure will benefit U.S. Filter, it also sets a precedent that raises questions about whether preferential treatment is being provided to a single vendor. Accordingly, the Committee on Finance is encouraged to carefully review this concern.

Your Committee has amended this bill by making technical revisions to conform the language to Chapter 340B, Hawaii Revised Statutes, relating to wastewater treatment personnel.

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. 839, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 839, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

SCRep. 72-00 Health on H.B. No. 2277

The purpose of this bill is to invest in the health of the people of Hawaii by prohibiting the supplanting or diminishing of moneys received from the Hawaii Tobacco Special Settlement Fund (Special Fund) for existing health promotion and disease prevention programs.

The Good Beginnings Alliance, the Hawaii Nurses' Association, and an individual testified in support of this measure. The Department of Health (DOH) testified in support of this measure, provided that it does not compromise priorities as specified in the executive budget request. The Coalition for a Tobacco Free Hawaii testified in support of the intent of this measure. The Department of Budget and Finance opposed this measure because it restricts budgeting flexibility. One individual submitted comments.

Your Committee believes that the original intent of the Special Fund is to expand existing tobacco prevention and control programs, health promotion and disease prevention programs, children's health programs, and to serve as a long-term source of stable funding for prevention-oriented public health efforts. It is essential that the moneys do not supplant or diminish the funding of programs funded by the state general fund.

Currently, there are a number of health and educational programs needing emergency funding that overlaps in scope, duplicates administrative efforts, and competes between programs. Rather than attempting to fund separate appropriations, your Committee finds that there is a need for an integrated use of the Special Fund that maximizes Hawaii's health, human services, and education efforts.

Your Committee encourages DOH, in its planning and expending the moneys in the Special Fund, to collaborate with the Departments of Human Services and Education to create a quality-driven and cost-effective integrated service system.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2277 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.

SCRep. 73-00 Health on H.B. No. 2004

The purpose of this bill is to give the Director of the Office of Information Practices oversight and enforcement authority related to the protection of the privacy of health care information.

The Hawaii Federation of Physicians and Dentists, Queen's Health Management, and the Hawaii Medical Association submitted testimony in support of this measure. The Office of Information Practices supported the intent of this bill. The Hawaii Medical Service Association and two individuals submitted testimony in opposition to 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. 2004 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 Stegmaier.

SCRep. 74-00 Health on H.B. No. 2811

The purpose of this bill is protect patients in managed care plans by:

- (1) Establishing an expedited process for an appeal of a managed care plan's decision;
- (2) Extending the time period to request an external review of a managed care plan's final determination; and
- (3) Establishing standards for determining whether a health intervention is a "medical necessity".

The Patient Rights and Responsibilities Task Force (Task Force), Kaiser Permanente, the Hawaii Medical Services Association, Kokua Council, and the Hawaii Psychiatric Medical Association testified in support of this measure. The Hawaii Nurses' Association testified in support of the intent of this measure. The American Academy of Pediatrics (AAP), the Hawaii Chapter of AAP (Hawaii AAP), and the Hawaii Psychological Association opposed provisions relating to the definition of "medical necessity". The Department of Health, the Arc in Hawaii, and the Hawaii Medical Association submitted comments.

This measure is the product of Act 137, Session Laws of Hawaii (SLH) 1999, and S.C.R. No. 152, 1999, that requested the Task Force to:

- (1) Develop further legislation addressing issues within the scope of the Task Force's responsibilities under Act 178, SLH 1998; and
- (2) Conduct a thorough study of the issues relating to the use of the term "medical necessity".

Your Committee finds that the definition of "medical necessity" raises concerns over the denial of prevention and early intervention practices. To be considered "medically necessary", the health intervention must, among other things, be able to treat a "medical condition", which is defined as, "a disease, illness, injury, genetic or congenital defect, pregnancy, or a biological or psychological condition that lies outside the range of normal, age-appropriate human variation". The Hawaii AAP testified that the definition of "medical condition" is illness-oriented and does not include prevention measures, such as immunizations, well-child care, and smoking prevention.

The Chair of the Task Force testified, however, that to "treat" a medical condition is, by definition, and among other things, prevention. If the Chair of the Task Force is correct, to be considered "medically necessary", a health intervention must, among other things, prevent a disease, illness, injury, genetic or congenital defect, pregnancy, or a biological or psychological condition that lies outside the range of normal, age-appropriate human variation.

Your Committee addressed this issue in its deliberations, but respectfully requests the Committee on Consumer Protection and Commerce to examine even further whether prevention practices are included in the scope of "medical necessity".

Your Committee further finds that physicians are one of many other licensed health care providers currently making health intervention and treatment decisions for patients. This measure refers to only physicians, and as such, has been amended by:

- (1) Using the term "licensed health care provider" in lieu of the term "physician" in certain provisions;
- (2) Adding the definitions of "licensed health care provider" and "treating licensed health care provider" to the Patients' Bill of Rights and Responsibilities Act (Chapter 432E, Hawaii Revised Statutes);
- (3) Clarifying that a treating licensed health care provider and a treating physician may determine medical necessity; 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. 2811, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2811, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 75-00 Higher Education on H.B. No. 2065

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 and the University of Hawaii Professional Assembly.

Your Committee finds that to provide quality education, the University of Hawaii's infrastructure must be maintained and developed adequately. The projects contained in this bill focus on this goal and include the University's repairs and maintenance, renovations of existing facilities and new projects.

Your Committee has amended this bill by:

- (1) Adding a total of \$1,000,001 for plans and construction of a soccer/track & field stadium; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2065, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2065, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 76-00 Higher Education on H.B. No. 2900

The purpose of this bill is to appropriate funds to the College of Education at the University of Hawaii at Manoa for special education teacher training.

The University of Hawaii Professional Assembly testified in support of this bill. The University of Hawaii testified in support of the intent of this bill.

Your Committee amended this bill by changing the amount of the appropriation to meet the needs of the College of Education to adequately fund their special education training.

Your Committee further amended this bill by stipulating that special education teaching students who receive scholarships will commit to service with the Department of Education as special education teachers. Those receiving scholarships for the bachelor's degree program will work with DOE for at least three years, and those receiving scholarships for the masters degree program will work with DOE for at least five years.

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. 2900, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2900, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 77-00 Transportation on H.B. No. 2806

The purpose of this bill is to amend section 286-261, Hawaii Revised Statutes, by increasing periods of administrative revocation for repeat offenders.

Your Committee finds that increased driver's license revocation periods for repeat offenders will be an effective sanction.

This bill confirms that periods of administrative license revocation are mandatory for repeat offenders. Moreover, it increases the periods of administrative license revocation for repeat offenders driving under the influence of alcohol.

Testimonies in support of this bill were received from the Judiciary and a concerned citizen. The Honolulu Police Department also voiced support for the intent of this bill. Testimony in opposition to this bill was received from Mother's Against Drunk Driving who favored other administrative revocation bills introduced in the 2000 Session.

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. 2806 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. 78-00 Public Safety and Military Affairs on H.B. No. 2380

The purpose of this bill is to allow an inmate to receive "earned time" credit to reduce the length of his or her prison sentence.

Your Committee received testimony in support of this measure from the Community Alliance on Prisons, Ka Lahui political action committee, the Christian Ministry Church, and three concerned citizens. The Department of Public Safety testified in support of the intent of this measure. The Hawaii Paroling Authority and the office of the Prosecutor of the City and County of Honolulu submitted testimony in opposition to this measure.

Your Committee finds that this measure will serve as a useful incentive to motivate offenders to make consistent progress in participating in activities to prepare them for reintegration into free society.

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. 2380 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 Pendleton.

SCRep. 79-00 Public Safety and Military Affairs on H.B. No. 2717

The purpose of this bill is to provide for protections and penalties for the threat of and the use of weapons of mass destruction.

Your Committee received testimony in support of this measure from the Department of Public Safety and the Department of Health. Both testifiers also proposed amendments.

Your Committee finds that our state needs to be prepared to prosecute those who threaten to, or, in fact, actually do carry out acts of terrorism involving weapons of mass destruction. Further, the possession, and manufacturing of these weapons needs also to be properly addressed.

Your Committee has amended this bill to incorporate the advice of the Department of Public Safety by changing the reference to "law enforcement officers" to the more broad "authorized first responders." This amendment addresses the fact that often law enforcement officers would not be the first to encounter restricted agents such as those covered in the bill.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2717, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2717, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 80-00 Public Safety and Military Affairs on H.B. No. 2592

The purpose of this bill is to allow the Crime Victim Compensation Commission to appoint a civil service exempt Executive Director and Administrative Assistant.

Your Committee received testimony in support of this measure from the Administrator of the Crime Victim Compensation Commission and from a Commissioner of the Crime Victim Compensation Commission.

Your Committee finds that as a quasi-judicial body attempting to move from general funding to self-sufficiency, the Commission should have maximum flexibility to select a leadership team who can best achieve these goals.

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. 2592 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. 81-00 Public Safety and Military Affairs on H.B. No. 2593

The purpose of this measure is to exempt the position of the correctional Health Care administrator and authorized physician positions within the Department of Public Safety from chapters 76 and 77, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Public Safety, the Hawaii Medical Association, and the Ka Lahui political action committee.

Your Committee finds that providing health care in the correctional setting differs from providing health care in the community. Likewise, in administering correctional health care it is crucial that one be properly familiar with the unique challenges posed by the need to provide quality inmate health care within fiscal constraints. In the past the state has contracted for these services, and the result has been many staff changes which have thwarted efforts to maintain a quality health care delivery system. Your Committee believes that exempting these positions will allow for better success in recruiting staff with the necessary skills and experience.

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. 2593 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. 82-00 Human Services and Housing on H.B. No. 2511

The purpose of this bill is to give the Department of Human Services (DHS) more flexibility in providing a continuum of services for eligible disabled individuals by allowing DHS to employ civil service and noncivil service personnel to staff its Medicaid waiver programs.

DHS testified in support of this measure.

Your Committee finds that since DHS currently employs both permanent civil service and exempt personnel, this measure will allow DHS to fully use its personnel pool to support all services provided through the Adult and Community Care Services Branch.

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. 2511 and recommends that it pass Second Reading and be referred to the Committees on Labor and Public Employment and Finance.

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

SCRep. 83-00 Culture and the Arts on H.B. No. 2959

The purpose of this bill is to effectuate its title.

H.B. No. 2959 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the action to report out H.B. No. 2959, as amended herein, and recommends that it be recommitted to the Committee on Culture and the Arts, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2959, H.D. 1.

Signed by all members of the Committee except Representative Ito.

SCRep. 84-00 Culture and the Arts on H.B. No. 2960

The purpose of this bill is to effectuate its title.

H.B. No. 2960 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form.

Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the action to report out H.B. No. 2960, as amended herein, and recommends that it be recommitted to the Committee on Culture and the Arts, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2960, H.D. 1.

Signed by all members of the Committee except Representative Ito.

SCRep. 85-00 Legislative Management on H.B. No. 2636

The purpose of this bill is to prohibit legislators and state employees from using state resources or their official positions in any political campaign.

The Hawaii State Ethics Commission, Common Cause Hawaii, and The League of Women Voters of Hawaii submitted testimony in support of the measure.

Although the State Ethics Code has been interpreted to prohibit the use of state resources in a political campaign, there is no law specifically prohibiting legislators and state employees from using state time, equipment, and facilities for any political campaign. Public confidence in the integrity of the political process mandates that the law specifically prohibits legislators and state employees from using state resources and their official positions in any political campaign.

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. 2636 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, Goodenow and Halford.

SCRep. 86-00 Legislative Management on H.B. No. 2640

The purpose of this bill is to give the Hawaii State Ethics Commission (Commission) the authority to raise the salary of its executive director up to the level of a department head.

The Commission and the League of Women Voters of Hawaii testified in support of this bill.

Your Committee finds that the executive director is the only staff member of the Commission whose salary is set in statute, and the last salary increase was in 1992. The salaries of the rest of the Commission's staff are increased in accordance with increases in the salaries of civil service employees in analogous positions. As a result, the salary of the associate director now exceeds that of the executive director.

This measure addresses this inequity and assures that the executive director's salary is comparable to the salaries that other state officials receive for comparable work and responsibilities.

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. 2640 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, Goodenow, Kahikina and Halford.

SCRep. 87-00 Legislative Management on H.B. No. 2711

The purpose of this bill is to make the Office of Information Practices (OIP) a permanent office in the Legislature.

The Hawaii State Ethics Commission, the League of Women Voters of Hawaii, Common Cause Hawaii, and the Hawaii State Chapter of the National Rainbow Coalition, Inc., submitted testimony in support of this measure.

OIP is presently a temporary agency attached to the Office of the Lieutenant Governor. It serves an important role in the exercise of the people's right to know. Confidence in state government is enhanced by making OIP a permanent office. The OIP will be afforded independence and protection of its valuable function by being placed in the legislative branch of government.

Your Committee has amended this bill by deleting the specific amount of the OIP director's salary and replacing it with a blank amount for purposes of further discussion. Technical, nonsubstantive amendments were also made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2711, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2711, H.D. 1, and be referred to the Committees on Judiciary and Hawaiian Affairs and Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Takamine, Goodenow and Halford.

SCRep. 88-00 Legislative Management on H.B. No. 2193

The purpose of this bill is to expand services provided by the Legislative Reference Bureau's Public Access Room (PAR) by making an appropriation to convert a part-time staff position to a full-time staff position.

Information Services, Common Cause Hawaii, the League of Women Voters of Hawaii, the Hawaii Chapter of the National Rainbow Coalition, and four concerned individuals submitted testimony in support of this measure.

Your Committee finds that the PAR has provided valuable services to thousands of members of the public. Adequate staffing of the PAR is essential to make information on Hawaii's legislative decision making process freely available to the public.

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. 2193 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, Souki and Marumoto.

SCRep. 89-00 Legislative Management on H.B. No. 2834

The purpose of this bill is to appropriate funds to upgrade the internal computer network at the Legislature.

The Chief Clerk of the House of Representatives and Common Cause Hawaii testified in support of this bill.

Your Committee finds that this bill is needed to provide the Capitol's occupants with reliable and speedy access to the information highway. At the same time, the hardware and software upgrades will ensure that the public will be better able to access to legislative information.

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. 2834 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, Goodenow and Halford.

SCRep. 90-00 Economic Development and Business Concerns on H.B. No. 2441

The purpose of this bill is to support the growth of Hawaii's biotechnology industry by:

- (1) Defining "biological materials";
- (2) Providing for the recognition of biological materials as personal property; and
- (3) Including biological materials under the Uniform Trades Secrets Act.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism.

Your Committee recognizes that this bill creates property rights in biological materials, thereby providing a legal basis for the appropriate handling of claims to such property.

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. 2441 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 Ahu Isa, Ito and Morihara.

SCRep. 91-00 Economic Development and Business Concerns on H.B. No. 2497

The purpose of this bill is to establish the Access Hawaii Committee to provide oversight of the portal manager who will be responsible for managing and operating the Internet portal on behalf of the State.

Testimony in support of this measure was provided by the Governor's Special Advisor on Technology Development, the Department of Commerce and Consumer Affairs, the Department of Accounting and General Services, and the Office of Information Services.

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. 2497 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 Morihara.

SCRep. 92-00 Public Safety and Military Affairs on H.B. No. 2739

The purpose of this bill is to make an appropriation to the Department of Public Safety to indicate the intention and ability of the state to proceed with the private development of a correctional facility to reduce prison overcrowding, utilizing public funds or private funds, or a combination of both.

Your Committee received testimony in support of this measure from the Department of Public Safety, the Operational Support Services, the Hawaii Leeward Planning Conference, the Hawaii Island Chamber of Commerce, the Hawaii Island Portuguese Chamber of Commerce, the Hawaii Island Economic Development Board, the Chamber of Commerce of Hawaii, and the Kanoiehua Industrial Area Association. The United Public Workers submitted testimony in support of the intent of this measure. The Department of Budget and Finance submitted neutral comments on this measure. The Community Alliance on Prisons and the Ilioulaokalani Coalition testified in opposition to this measure.

Your Committee finds that this measure provides additional flexibility for the state should it go forward with the private development of a new correctional facility.

Your Committee has amended this bill to stipulate that the appropriation is only authorized for correctional facilities within the state of Hawaii. The bill has also been amended to require compliance with chapter 103D-1007, Hawaii Revised Statutes. It is the intent of your Committee to ensure that the local economy benefits and that local needs are understood if such a development project proceeds.

Your Committee has also made technical amendments to this bill to replace "certificates or participation" with "certificates of participation."

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. 2739, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2739, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pendleton.

SCRep. 93-00 Health on H.B. No. 2422

The purpose of this bill is to establish the Tobacco Enforcement Special Fund, which will be administered by the Department of the Attorney General, to ensure compliance with and enforcement of:

- (1) The Master Settlement Agreement;
- (2) Provisions of the Tobacco Liability Act; and
- (3) Tobacco prevention programs.

The first \$500,000 from all tobacco moneys received by the State each fiscal year will be deposited into the Tobacco Enforcement Special Fund. All moneys in excess of \$500,000 remaining in the Tobacco Enforcement Settlement Fund on June 30 of each year will lapse to the Hawaii Tobacco Settlement Special Fund. This measure also exempts the Tobacco Enforcement Special Fund from central service expenses and special fund administrative expenses provisions.

The Department of the Attorney General testified in support of this measure. The Coalition for a Tobacco Free Hawaii testified in support of the intent, but with reservations. The Hawaii Nurses' Association opposed this measure.

Your Committee finds that this measure will ensure that adjustments to the scheduled payments by the tobacco industry are justified, and that the industry complies with the public health measures to which it agreed.

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. 2422 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 94-00 Health on H.B. No. 2156

The purpose of this bill is to appropriate funds to provide basic dental services for adults covered by Medicaid or Med-QUEST programs for fiscal year 2000-2001, on a fee-for-service basis through the Med-QUEST program. This bill sets a \$250 per year cap on basic dental services per individual, exclusive of emergency dental services.

Testimony in support of this bill was received by the Hawaii Nurses' Association, Hawaii State Primary Care Association, Kalihi-Palama Health Center, Kokua Council, Hawaii Dental Association, Hawaii Dental Hygienists' Association, State Planning Council On Developmental Disabilities, American Friends Service Committee, The Arc in Hawaii, Waimanalo Health Center, Aloha Care, and concerned individuals. The Department of Human Services submitted testimony in support of the intent of this bill.

Your Committee agrees with the Department of Human Services that if the Med-QUEST program is expanded to provide increased dental services, the total funds required to fulfill the purpose of this bill would be over \$10,000,000. Therefore, your Committee finds that it would be more cost-effective to use community health centers and nonprofit, community-based dental safety-net providers to provide basic dental care services to indigent adults.

Upon consideration, your Committee has amended this bill by:

- (1) Deleting the \$250 per year cap on basic dental services for covered adults;
- (2) Expanding access to basic dental care to indigent patients who do not qualify for Medicaid or Med-QUEST;
- (3) Using community-based health centers and other nonprofit, community-based dental safety-net providers to provide basic dental services to indigent adults;
- (4) Appropriating the total amount of \$2,244,000 to the dental health division of the Department of Health for statewide services; 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. 2156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2156, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stegmaier.

SCRep. 95-00 Health on H.B. No. 2550

The purpose of this bill is to require health insurers to make equitable reimbursements for mental health treatment. It requires full parity in mental health treatment benefits relative to other health insurance benefits.

Chapter 431M, Hawaii Revised Statutes, requires insurance plans to provide a minimum set of mental health treatment benefits to subscribers. Act 121, Session Laws of Hawaii 1999, required the removal of these limits for serious mental illnesses, including schizophrenia, schizo-affective disorder, and bipolar mood disorder. However, limits were not removed for other mental conditions or disorders of adults or children that fell under the diagnostic categories of the Mental Disorders Section of the International Classification of Diseases or the Diagnostic and Statistical Manual of the American Psychiatric Association.

Your Committee finds that the national trend in mental health care is toward mandating mental health treatment benefits through "parity" with other physical illnesses. This trend is based on the assumption that it is discriminatory to restrict or offer less access to mental health care than other areas of health care.

Testimony in support of this measure was submitted by the Department of Human Services, the Department of Commerce and Consumer Affairs, Hawaii Psychiatric Medical Association, Mental Health Association in Hawaii, the Office of Youth Services, Hawaii Nurses Association, Hawaii Psychological Association, Equal Insurance Coalition, Hawaii Medical Association, and NAMI Hawaii. Testimony in opposition to this measure was submitted by the Hawaii Medical Service Association (HMSA), the Hawaii Business Roundtable, Kaiser Permanente, and the Hawaii Business League.

HMSA raised the concern that this measure does not comply with section 23-51, Hawaii Revised Statutes (HRS), which requires that a concurrent resolution be passed requesting the Auditor to assess the social and financial effects of any proposed mandated health coverage before any legislative measure can be considered. The Department of Health has asked the Attorney General to issue an opinion on this issue and is currently waiting for a response.

Your Committee has amended this measure by:

- (1) Clarifying that the bill excludes changing any benefits for alcohol and substance abuse treatments;
- (2) Clarifying why the Diagnostic and Statistical Manual of the American Psychiatric Association and International Classification of Diseases are both referenced in the definition of "mental illness";
- (3) Adding a period to the title to conform with fundamental bill drafting conventions; and
- (4) Making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2550, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2550, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

SCRep. 96-00 Health on H.B. NO. 2961

The purpose of this bill is to regulate the sale of tobacco by requiring cigarette or tobacco licensees to affix a stamp certifying payment of applicable excise taxes on packages of cigarettes before the packages are sold to the general public.

The idea of tax stamping for cigarettes was first introduced by the Representative for the 31st House District several years ago. Your Committee finds that this measure will:

- (1) Ensure that cigarette taxes are paid, keeping the price of the product at market levels;
- (2) Assure that untaxed cigarettes, which are less expensive, will not find their way into the hands of minors; and
- (3) Provide for the registration of all retail tobacco sellers and the suspension or revocation of that license in the case of repeat offenders.

Testimony in support of this measure was submitted by the Department of Taxation, Hawaii Food Industry Association, and Hawaii Nurses' Association. Comments were submitted by the Office of Information Practices and the Tax Foundation of Hawaii. The Department of Health and the Coalition For A Tobacco Free Hawaii supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Clarifying that the Hawaii stamp be affixed to only those cigarettes that the State approves for sale; and
- (2) Making technical, nonsubstantive amendments for consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2961, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2961, 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 Kahikina and Stegmaier.

SCRep. 97-00 Human Services and Housing and Health on H.B. No. 2916

The purpose of this bill is to assist persons most likely to need long-term care services by:

- (1) Establishing a Long-Term Care Insurance Premium Special Fund (Special Fund); and
- (2) Transferring twenty percent of the Emergency and Budget Reserve Fund of the Hawaii Tobacco Settlement Special Fund to the Special Fund to pay a portion of a long-term care premium purchased after September 30, 2000, by a person over age 65, on a sliding income scale.

The Hawaii Long-Term Care Association and an individual testified in support of this measure. The Department of Budget and Finance opposed this measure. The Tax Foundation of Hawaii submitted comments.

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. 2916 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 98-00 Agriculture on H.B. No. 1997

The purpose of this bill is to establish a credit against income tax liability for taxpayers who install agricultural water storage facilities.

Your Committee finds that many agricultural areas have limited agricultural production due to water availability restrictions and the effects of draught. However, the cost of installing water storage tanks can adversely affect the cost of operating a farm or ranch. This tax credit will provide farmers and ranchers a financial incentive to improve or build new water storage facilities.

Testimony in support of this measure was submitted by the Maui County Farm Bureau, Hawaii Farm Bureau Federation, Ulupalakua Ranch, Inc., Kula Community Association, Maui Onion Growers Association, and a concerned individual. The Department of Agriculture supported the intent of this bill. The Pineapple Growers Association of Hawaii supported the bill, but recommended revisions. The Department of Taxation submitted testimony in opposition to this measure.

Your Committee has amended this measure to allow the Director of Taxation to adopt procedures needed to effectuate the tax credit.

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. 1997, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1997, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morihara.

SCRep. 99-00 Energy and Environmental Protection on H.B. No. 1937

The purpose of this bill is to enable more utility lines to be installed underground by broadening the base of those who would finance the undertaking. This bill allows state or county agencies with responsibility for approving the construction of utility lines to seek authorization from the Legislature for the issuance of general obligation bonds to cover the cost of underground installation.

The Public Utilities Commission, the Hawaiian Electric Company, Inc., and its subsidiaries, Hawaii Electric Light Company and Maui Electric Company, GTE, Na Leo Pohai, Life of the Land, Malama o Manoa, and an individual testified in support of this bill. The Consumer Advocate supported the intent of this bill. The Department of Budget and Finance testified in opposition to this measure, and Kauai Electric and the University of Hawaii's Environmental Center offered comments.

Your Committee finds that this bill has merit and deserves further consideration. A more thorough review into the appropriateness of using general obligation bonds for this purpose is best addressed in the Committees on Consumer Protection and Commerce and Finance.

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. 1937 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 Kanohe voted no.)

SCRep. 100-00 Education on H.B. No. 1886

The purpose of this bill is to protect from lawsuit any school that discloses records of a child's action that is detrimental to the morals or discipline of a school.

The Hawaii State Teachers Association, Hawaii Catholic Schools Office, and an individual testified in support this bill. The Department of Education and the Hawaii Association of Independent Schools testified in support of the intent of the bill.

Your Committee finds that School personnel need information that will help them know how to work with difficult students with numerous problems. This bill will enable school staff to work with problem students, while ensuring that only those who work directly with the student will be given this confidential information.

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. 1886 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 Stegmaier.

SCRep. 101-00 Education on H.B. No. 2041

The purpose of this bill is to: restrict minors' access to internet material that is pornographic on computers in public schools and libraries by:

- (1) Mandating that public schools and libraries either equip computers with software that will limit minors' ability to gain access to pornographic material, or purchase internet connectivity from an internet service provider that filters material that is pornographic; and
- (2) Providing that public schools and libraries that comply with these mandates shall not be held criminally liable, or liable for damages that arise from a minor gaining access to pornographic material on a computer in a public school or library.

The Hawaii Catholic Schools Office, the Hawaii Catholic Conference, the Hawaii Family Forum, and two individuals testified in support of this bill. The Hawaii Library Association, Information Services, Hawaii State Public Library System, and an individual testified in opposition to this bill.

Your Committee finds that the internet provides unique challenges in protecting the interests of parents who do not want their children to access pornographic material. Especially in libraries, whose function is to provide and facilitate free access to information, ensuring that minors do not view materials against the wishes of their parents creates apparent contradictions of purpose. However, First Amendment rights that opponents of this bill cling to have repeatedly been upheld as not applying to children in the same way as adults. Ensuring that children cannot access pornographic materials on the internet any more readily than they can access printed pornographic materials, in schools and libraries, is the aim of this bill. Your Committee finds no compelling reason to contradict the public will to protect children from materials deemed "pornographic for minors," and therefore urges passage of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2041 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 Stegmaier.

SCRep. 102-00 Education on H.B. No. 2042

The purpose of this bill is to remove the exemption from prosecution that public library employees currently have for the act of promoting pornography for minors.

The Hawaii Catholic Conference and the Hawaii Family Forum testified in support of this bill. The Hawaii Library Association, Information Systems, and the Hawaii State Public Library System testified in opposition to this bill.

Your Committee finds that no sound justification exists for the exemption of public library personnel from prosecution for promoting pornography for minors. Exemptions to this criminal act are otherwise reserved for parents, siblings, or others acting in the place of parents (in loco parentis) for a minor. The public libraries have explicitly stated that this sort of relationship does not

apply to them. Therefore, the freedoms extended to parents to disseminate materials to their minor children as they wish should likewise not apply to library personnel.

Your Committee further finds that there is no legal basis for concerns that library staff may be prosecuted for inadvertently distributing or promoting materials containing nudity or other content that could be viewed as objectionable in periodicals such as National Geographic. The definition of "pornography for minors" in the Hawaii Revised Statutes clearly does not encompass these kinds of materials, and legal action against library personnel in this instance would be unjustified.

For these reasons, exempting library personnel from the criminal act of promoting pornography for minors is not sensible, and your Committee urges passage of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2042 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 Stegmaier.

SCRep. 103-00 Education on H.B. No. 2096

The purpose of this bill is to appropriate \$7,583,940 for 260 additional teacher positions in the Department of Education (DOE) for fiscal year 2000-2001.

Your Committee received testimony from DOE and the Hawaii State Teachers Association (HSTA) in support of this bill.

Pursuant to the *Felix v. Cayetano* decree's management and accountability study recommendations, the Board of Education and HSTA have agreed, for teacher allocation purposes, to count a special education student in a general education class as a full count regular student. Your Committee finds that this bill will provide the additional teachers needed to provide required essential services to special education students.

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. 2096 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 Stegmaier.

SCRep. 104-00 Education on H.B. No. 1873

The purpose of this measure is to exempt federal and trust funds of the Department of Education from the requirements of the state budgetary allotment system. This exemption provides more fiscal autonomy to the Department of Education, and encourages the Department to seek federal funding. In the past, federal funds intended to directly benefit education in Hawaii have had to pass through the State's general fund. This measure is intended to create a direct route to Hawaii's schools for federal funds, which should open the door to even more federal aid.

Your Committee has amended this measure by inserting language that protects the Department of Education's general fund appropriations from being reduced when the Department receives trust or federal funds in excess of the appropriation.

The Department of Education, the Hawaii Congress of Parents, Teachers, and Students, the Hawaii Business Roundtable, the Hawaii State Teachers Association, and the Chamber of Commerce supported the measure. The Department of Budget and Finance supported the intent of the measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1873, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1873, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 105-00 Education on H.B. No. 1874

The purpose of this bill is to establish an interagency educational accountability working group to establish a two-year suspension of all rules, policies, procedures, and practices, beginning July 1, 2001, to allow the Department of Education to restructure and reallocate its resources to support student achievement.

Your Committee finds that this measure represents the first nascent step in what will develop ultimately into a high-stakes, collaborative endeavor to support student achievement. While your Committee believes that the Superintendent of Education and the interagency educational accountability working group should be given more authority to restructure and reallocate the Department of Education's resources to support student achievement, it also believes that the process established by the Legislature should be deliberate and exacting, rather than left to chance. Therefore, your Committee urges the Legislature to

continue the discussion initiated by this measure in order to describe in greater detail the appropriate freedoms and controls that will apply eventually to the superintendent and the working group.

This measure represents a substantial departure from previous accountability legislation--which tended to be prescriptive and restrictive in nature--in that it is based on trust and the belief that the Superintendent of Education and the interagency educational accountability working group will act in the best interest of public school students. Your Committee believes that the definition of futility is trying the same idea time and time again, and expecting to achieve different results.

Your Committee received testimony in support of this measure from the District Superintendent of the central Oahu departmental school district, the Hawaii Business Roundtable, the Hawaii State Parents, Teachers and Students Association, The Chamber of Commerce of Hawaii, and two private citizens. The Department of Education concurred with and strongly supported the intent and purpose of this measure. The Hawaii State Teachers Association opposed this measure.

Your Committee has amended this bill by:

- (1) Adding a representative of the Hawaii State Parents, Teachers and Students Association to the interagency educational accountability working group; and
- (2) Making technical nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1874, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1874, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 106-00 Education on H.B. No. 2036

The purpose of this bill is to improve the physical education of students by:

- (1) Requiring the Department of Budget and Finance and the Department of Education to consider and to include the funding of coaches' salaries, athletic health care trainers' salaries, athletic equipment and supplies, and the transportation of athletic teams as standard workload increase items when planning and budgeting for new public schools; and
- (2) Mandating that the Department of Education conduct a study of the implications of setting coaches' salaries in the same manner as other teachers.

The Hawaii State Teachers Association and a concerned individual submitted testimony in support of this measure. Comments were submitted by the Department of Education. The Department of Budget and Finance submitted testimony in opposition to this measure.

Your Committee finds that the Department of Education has the flexibility, through the lump-sum budgeting concept, to fund athletic programs and personnel if they feel that such programs are important to their educational goals.

Upon consideration, your Committee has amended the bill by deleting the provisions requiring funding for athletic programs to be considered and included as standard workload increase items when planning and budgeting for new schools. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2036, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2036, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 107-00 Education on H.B. No. 1875

The purpose of this measure is to establish and implement an educational accountability system that:

- (1) Covers students, schools as a whole, individual educational professionals, and other significant partners in the education process;
- (2) Invokes a full and balanced set of consequences, including rewards, assistance, and sanctions;
- (3) Requires teachers and administrators to undergo continuous professional growth and development; and
- (4) Is not subject to negotiation under chapter 89, Hawaii Revised Statutes (collective bargaining).

The Governor, the Hawaii Superintendent, the Department of Education, the Hawaii Business Roundtable, the Chamber Of Commerce of Hawaii, the Honolulu Navy League, and three individuals supported this bill. The Board of Education and the Hawaii State PTSA supported the intent of this bill. The Hawaii State Teachers Association opposed this bill.

Your Committee finds that this measure takes several important steps in amending existing educational accountability law. It requires the implementation of an accountability system, whereas the existing laws only call for the establishment of such a system; a subtle but important move to stimulate action on this issue. The bill also clearly establishes a full range of responses to the assessment of student and educational employee performance. The measure explicitly requires that such responses not only include rewards and punitive action, but also assistance to those who fall short of expected goals.

In addition, this bill requires educators to engage in professional growth and development, and it explicitly requires that professional evaluation results be part of individual accountability for professional development and knowledge. Finally, this bill exempts the accountability system from collective bargaining under chapter 89, Hawaii Revised Statutes, giving the Department of Education the ability to more freely implement the necessary changes.

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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1875, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1875, H.D. 1, and be referred to the Committees on Labor and Public Employment and Finance.

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

SCRep. 108-00 Education on H.B. No. 2094

The purpose of this bill is to alleviate the shortage of teachers in certain areas by permitting the Department of Education to rehire retired teachers for the 2000 to 2001 school year while allowing them to receive retirement benefits on a temporary full-time basis.

The Hawaii State Teachers Association submitted testimony in support of this measure. The Department of Education submitted testimony in opposition. Comments were submitted by a concerned individual.

Your Committee finds that there are highly qualified teachers who participated in the 1995 early retirement incentive program who would be willing to return to teaching positions on a year-to-year basis, as long as they would not be forced to lose their current retirement benefits.

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. 2094 and recommends that it pass Second Reading and be referred to the Committees on Labor and Public Employment and Finance.

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

SCRep. 109-00 Agriculture on H.B. No. 2790

The purpose of this bill is to effectuate its title.

H.B. No. 2790 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. 2790, 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. 2790, H.D. 1.

Signed by all members of the Committee except Representatives Herkes, Morihara and Halford.

SCRep. 110-00 Agriculture on H.B. No. 2791

The purpose of this bill is to effectuate its title.

H.B. No. 2791 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. 2791, 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. 2791, H.D. 1.

Signed by all members of the Committee except Representatives Herkes, Morihara and Halford.

SCRep. 111-00 Higher Education on H.B. No. 2073

The purpose of this bill is to effectuate its title.

H.B. No. 2073 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form.

Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the action to report out H.B. No. 2073, 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. 2073, H.D. 1.

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

SCRep. 112-00 Public Safety and Military Affairs and Judiciary and Hawaiian Affairs on H.B. No. 1896

The purpose of this bill is to authorize state participation in the Interstate Compact for the Supervision of Adult Offenders.

Your Committees received testimony in support of this measure from the Hawaii Paroling Authority, and the office of the Prosecuting Attorney of the City and County of Honolulu. The Judiciary submitted testimony in support of the intent of this measure and offered proposed amendments.

Your Committees find that the state should participate in the Compact and note that the language of the Compact must closely follow the language of the original draft. However, your Committees have amended this bill by correcting drafting errors on page 33 of the bill as received. Language referring to "contract administrator" has been corrected to refer to "compact administrator."

Your Committees have also deleted language, found on page 9 of the bill as received, that gave the Interstate Commission authority to promulgate rules with the force and effect of statutory law in compacting states.

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. 1896, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1896, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Pendleton, Cachola, Hiraki, Morita, and Whalen.

SCRep. 113-00 Public Safety and Military Affairs and Judiciary and Hawaiian Affairs on H.B. No. 2353

The purpose of this bill is to require, as condition of a deferred acceptance of guilty (DAG) or deferred acceptance of no contest (DANC) plea, payment of compensation fee to be deposited into the crime victim compensation special fund.

Your Committees received testimony in support of this measure from the Crime Victim Compensation Commission and the office of the Prosecuting Attorney of the City and County of Honolulu. The office of the Public Defender testified in opposition to this measure.

Your Committees find that offenders who have acknowledged their guilt should be required to pay into the crime victim compensation special fund. Currently, such offenders do not contribute to the fund, thus their victims are not compensated as they should. The collection of these fines would also help the Commission in its efforts to attain fiscal self-sufficiency.

Your Committees have amended this bill to delete the phrase "conviction of" from the language specifying the size of the fee to be imposed. This amendment is to clarify that the compensation fee is to be ordered in cases involving a conviction and DAG or DANC.

Your Committees have also deleted section 3 from the bill which sought to prioritize the various fines imposed on an offender.

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. 2353, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2353, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Pendleton, Cachola, Hiraki, Morita and Whalen.

SCRep. 114-00 Legislative Management on H.B. No. 2311

The purpose of this bill is to require the procurement of design professional services on the basis of qualifications under the Hawaii Public Procurement Code by:

- (1) Specifying selection criteria, making experience in project type the chief selection criteria by evaluating past performance; and
- (2) Establishing ranking of professional service providers by a selection committee.

The American Society of Civil Engineers; Consulting Engineers Council of Hawaii; American Institute of Architects, AIA Hawaii State Council; Hawaii Chapter of the American Public Works Association; Consulting Structural Hawaii, Inc.; Construction Industry Legislative Organization, Inc.; Fewell Geotechnical Engineering, Ltd.; Miyashiro and Associates, Inc.; MK Engineers, Ltd.; Sato & Associates, Inc.; D. L. Adams Associates, Ltd.; Earth Tech Inc.; Paul Louie & Associates, Inc.; SSFM International, Inc.; and several concerned individuals supported this measure.

The State Procurement Office, Department of Accounting and General Services, Department of Transportation, City and County of Honolulu's Department of Design and Construction opposed this measure.

This measure was passed unamended to allow for continuing discussion and resolution under the following conditions:

- (1) The chair of this Committee will meet jointly with the government agencies in opposition to this bill and the design professionals expressing strong support; and
- (2) A hearing by the Committee on Finance will be contingent on sufficient agreement between the parties involved to the degree that the chair of this Committee feels that further consideration would be warranted. Rather than deferring for subsequent action by this Committee, referral to the Committee on Finance was deemed appropriate since eight of the ten members of this Committee (including both the chair and vice chair) also sit on the Committee on Finance.

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. 2311 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

SCRep. 115-00 Consumer Protection and Commerce and Economic Development and Business Concerns on H.B. No. 1959

The purpose of this bill is to propose a state constitutional amendment to prohibit the legislature from enacting laws whose primary impact is on consumers, unless that impact is beneficial to consumers.

Testimony in support of this measure was submitted by the Chamber of Commerce of Hawaii and the Kona-Kohala Chamber of Commerce.

Testimony in opposition to this measure was submitted by the ILWU local 142.

Testimony commenting on this measure was provided by the Department of Commerce and Consumer Affairs.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce 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. 1959 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees except Representatives Cachola, Garcia, Hiraki and Morihara.

SCRep. 116-00 Consumer Protection and Commerce and Economic Development and Business Concerns on H.B. No. 1960

The purpose of this bill is to give a consumer the right to declaratory relief to invalidate any law whose primary effect is an economic impact on the consumer, if the effect is not beneficial to the consumer.

Your Committee received testimony supporting this bill from the Chamber of Commerce of Hawaii. The Department of Commerce and Consumer Affairs expressed general support for the measure. The Kona-Kohala Chamber of Commerce supported the intent of the bill. Testimony in opposition was submitted by the International Longshoremen's and Warehousemen's Union Local 142.

Your Committee finds that government regulation should have the primary effect of benefitting consumers, and that the issues raised by this bill are important ones, that merit further consideration and discussion.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce 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. 1960 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees except Representatives Cachola, Garcia, Hiraki and Morihara.
(Representative Takumi voted no.)

SCRep. 117-00 Economic Development and Business Concerns on H.B. No. 2434

The purpose of this bill is to authorize and appropriate funds from:

- (1) The Hawaii Community-Based Economic Development (CBED) Revolving Fund; and
- (2) The Hawaii Strategic Development Corporation (HSDC) Revolving Fund;

for fiscal year 2000-2001 to be deposited into the general fund.

The Department of Business, Economic Development, and Tourism (DBEDT) submitted testimony in strong support of this measure. Testimony in opposition to this measure was received from the Office of Hawaiian Affairs, the Hawaii Alliance for Community-Based Economic Development, the Big Island Sustainable Communities Association, Hamakua District Development Council, the Hilo-Hamakua Community Development Corporation, Pacific Gateway Center, and several individuals. Comments were received from the Hawaii Small Business Development Center Network, Hale Ku'ai Cooperative, and Molokai Community Service Council.

Your Committee deliberated at length on maintaining the integrity of the HSDC Revolving Fund, which was created to provide incentives to encourage private investment activity.

While your Committee expressed reservation about depositing moneys from the HSDC Revolving Fund to the general fund, your Committee recognizes the merits of facilitating and having continued discussion on the financial ramifications of such action.

Your Committee is concerned about the lack of a plan regarding the availability of funds for future venture capital endeavors with regard to the HSDC Revolving Fund. Therefore, your Committee urges DBEDT to come up with a plan as discussion continues on this issue.

Your Committee has amended this bill by:

- (1) Deleting the provision appropriating and authorizing the deposit of funds from the Hawaii CBED Revolving Fund into the general fund;
- (2) Changing the amount of the appropriation to be deposited from the HSDC Revolving Fund to the general fund from \$1,000,000 to \$1 for the purpose of facilitating further discussion on the measure; and
- (3) Making a technical, nonsubstantive amendment for clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2434, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Ito, Kaho'ohalahala and Morihara.

SCRep. 118-00 Transportation on H.B. No. 2729

The purpose of this bill is to determine alternative traffic solutions to service the West Maui area.

Your Committee finds that the West Maui community has frequently been isolated by brushfires, high waves, and major traffic accidents which have closed Honoapiilani Highway, the major access for the community. Your Committee further finds such

closure has caused inconvenience for workers, economic losses for merchants, frustrations for visitors who want to depart or arrive at hotels, and health hazards for patients requiring emergency treatment. The legislature further finds that federal funds have been made available to conduct a transportation feasibility study for the West Maui area

This bill appropriates \$200,000 for the purpose of conducting a transportation feasibility study for the West Maui area; provided that no funds shall be expended unless federal moneys are provided.

Testimony in support of this measure, with suggested amendments, was received from the Department of Transportation

Your Committee has amended the proposed bill by making amendments to read::

- (1) Page 2, Lines 6-8 "The legislature further finds that the project is eligible for federal funds if matching local moneys are appropriated."
- (2) Page 2, Lines 10-11 "moneys to conduct a feasibility/planning study for the widening of Honoapiilani Highway, Maalaea Road to Puamana."
- (3) Page 2, Lines 15-16 "for the widening of Honoapiilani Highway, Maalaea Road to Puamana."
- (4) The deadline for a preliminary report to the legislature is July 1, 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. 2729, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2729, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 119-00 Health on H.B. No. 2002

The purpose of this bill is to set standards to safeguard protected health information from unauthorized collection, use, and disclosure by requiring property and casualty insurers to establish procedures for the treatment of all protected health information.

The Hawaii Insurers Council (HIC) and State Farm Insurance Companies testified in support of this measure. The Department of Commerce and Consumer Affairs (DCCA) testified in support of the intent of this measure, but expressed reservations about its ability and availability of resources to enforce this measure should an excessive number of violations occur. The Office of Information Practices (OIP) and Common Cause Hawaii opposed this measure.

HIC testified that property and casualty insurance companies have responsibilities with respect to protected health information that are distinctly different from the information that is produced and managed by primary health care providers and accident and health insurance carriers. HIC believes that this measure is a unique approach that reasonably addresses the manner in which medical information should be managed by property and casualty insurers.

Your Committee, however, heard compelling testimony by OIP that this measure weakens the protections afforded to individuals' health care information. Your Committee is concerned about OIP's testimony, and requests the Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs to thoroughly address these concerns as it falls under their jurisdictional purview.

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. 2002 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.

SCRep. 120-00 Health on H.B. No. 2534

The purpose of this bill is to increase funding for Hawaii's rural hospitals by reimbursing Critical Access Hospitals (CAH) on a cost basis under the Medicaid program using matching federal funds.

The Departments of Health (DOH) and Human Services (DHS), the Hawaii Health Systems Corporation (Corporation), the Hawaii State Primary Care Association, Lanai Community Hospital, the Healthcare Association of Hawaii (Healthcare Association), Kahuku Hospital, the Executive Management Advisory Committee (MAC), Maui MAC, Maui Memorial Medical Hospital, and numerous residents of Ka'u district testified in support of this measure.

The Hawaii Government Employees Association testified in support of the intent of this measure. The Hawaii Long Term Care Association (LTC Association) agreed with the CAH concept but could not support this measure in its current form. Wilcox Health System opposed this measure.

Your Committee finds that the federal Balanced Budget Act of 1997, as amended by the recent Balanced Budget Refinement Act of 1999, created the CAH, which is also known as the Medicare Rural Hospital Flexibility Program (Program). The Program offers federal financial relief for rural hospitals by allowing facilities to claim cost reimbursement under the Medicare program. This measure allows the Medicaid program to adopt Medicare's reimbursement methodology for CAHs.

The LTC Association testified that while the Medicaid cost-based reimbursement system for CAHs should not reduce reimbursements to other long-term care providers, funding to keep Medicaid "whole" must come from appropriations approved by the Legislature. This measure also states that the State's share of matching funds will be provided to the extent funding is available. The concerns raised included whether:

- (1) Appropriations from one program will be reduced or eliminated to fund another; and
- (2) There would be consequences if funding was not available.

To address these concerns, the LTC Association, the Healthcare Association, the Corporation, DHS, and DOH jointly submitted amended language agreed to by all parties. It clarifies that the intent is to provide rural areas access to health care, but not at the expense of other health care providers.

Your Committee has amended this measure by:

- (1) Clarifying that if funding is not available, Medicaid reimbursements to CAHs will revert back to existing Medicaid payment methodologies;
- (2) Allowing designated CAHs other than those under the Corporation's management to obtain Medicaid cost-based reimbursement;
- (3) Incorporating the definition of CAH in the appropriate statutory sections so that the definition is codified; 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. 2534, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2534, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kahikina.

SCRep. 121-00 Higher Education on H.B. No. 2062

The purpose of this bill is to allow the University of Hawaii to carry over funds from one year to the next and to use the funds to supplement the appropriations to other university programs.

Your Committee has amended this measure by specifying that carry over funding shall not be subject to executive restriction or be used as basis for restricting other appropriations to the university. Your Committee has also amended this measure by making technical nonsubstantive amendments for the purpose of clarity and style.

Your Committee finds that the measure as amended will facilitate better operational expenditure planning and result in more effective and efficient expenditures of allotted public funds.

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. 2062, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2062, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 122-00 Agriculture on H.B. No. 2241

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist Hawaii Gold Cacao Tree, Inc. to finance the establishment of facilities in the County of Hawaii to process cacao beans and to manufacture and produce cacao and chocolate products.

Hawaii Gold Cacao Tree, Inc. and the Rural Economic Transition Assistance Program submitted testimony in support of the measure. The Department of Agriculture testified in support of the intent of the measure. Comments were submitted by Mauna Loa Macadamia Nut Corp. and the Great Pacific Chocolate Company, Inc.

After lengthy discussion, your Committee amended this bill by establishing labeling and advertising requirements for Hawaii chocolate.

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. 2241, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2241, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morihara.

SCRep. 123-00 Energy and Environmental Protection on H.B. No. 2843

The purpose of this bill is to address the undergrounding of overhead utility lines by, among other things:

- (1) Valuing aesthetic benefits and making an appropriation to quantify the benefits of undergrounding;
- (2) Requiring the independent preparation of environmental impact statements (EIS);
- (3) Establishing an intervenor program;
- (4) Requiring the use of alternative dispute resolution process prior to hearings;
- (5) Establishing a conversion program and establishing a fund to pay for this program; and
- (6) Establishing a one-call system to locate underground facilities.

The Office of Hawaiian Affairs, Life of the Land, Na Leo Pohai, Malama o Manoa, and an individual testified in support of this bill. The Consumer Advocate supported the intent of this measure. The Public Utilities Commission (PUC), Kauai Electric, GTE, and the Hawaiian Electric Company and its subsidiaries, Hawaii Electric Light Company and Maui Electric Company, opposed passage of this bill. The Judiciary, the Office of Environmental Quality Control (OEQC), the University of Hawaii's Environmental Center, and AT&T offered comments.

With regard to each major portion of the bill, your Committee makes the following observations/amendments:

PART I

Part 1 requires that whenever a utility proposes a capital project within the conservation district, the PUC must make a determination of the need for the project prior to the issuance of a conservation district use permit.

Your Committee believes that this Part deserves further discussion by subsequent committees.

PART II

Part 2 states that with regard to the placement of utility lines, the aesthetic benefits of the natural landscape are valued above all other benefits. Funds are appropriated to quantify the benefits of underground high-voltage utility lines.

This Part, too, deserves further discussion. However, if the policy statement in the bill is enacted, there may not be a need for the Consumer Advocate to quantify the aesthetic benefits of underground lines.

PART III

Part 3 requires the independent preparation of EISs when the applicant is a regulated utility.

This Part was deleted. Your Committee believes that a utility should not be singled out for special EIS preparation. It is the accepting agency's responsibility to ensure the integrity of the environmental review process. More specifically, the accepting agency must ensure that the EIS discloses the full impact of a project and is not a self-serving document. OEQC facilitates the review process and ensures that the applicant complies with the requirements for content.

It is often perceived that an EIS is biased, because it is prepared by the applicant. This issue has occasionally surfaced before this Committee. However, this is not the appropriate vehicle to amend the environmental review process affecting projects not related to this bill's subject matter.

PART IV

Part 4 establishes an intervenor program to assist consumers who have significant information to contribute to PUC hearings and other proceedings.

Because this Part addresses a broader PUC issue, the Committee on Consumer Protection and Commerce is encouraged to consider inserting this provision into a more appropriate bill.

This Part was amended to clarify that an intervenor will be compensated only if it is found that the information provided contributes significantly to the PUC's final decision.

Section 8 of this Part appropriates moneys from the general fund for the PUC to create and maintain an information and communication resource that is accessible through the world wide web. Since this section addresses a broader PUC issue, the Committee on Consumer Protection and Commerce is encouraged to also consider inserting this provision into a more appropriate bill.

PART V

Part 5 authorizes the PUC to require the use of an alternative dispute resolution process prior to a hearing.

This Part also addresses a broader PUC issue that may be more appropriately placed in another bill.

PART VI

Part 6 directs the PUC to establish a program to convert overhead utility lines to underground, and to administer the Underground Conversion Fund (Fund) to pay for the program.

Because your Committee supports the concept of conversion, a policy statement on the undergrounding of utility lines was inserted as a new section. In part, it states that the conversion of overhead utility lines to underground lines and the initial underground installation of such lines are substantially beneficial to the public safety and welfare.

The provisions regarding voluntary contributions to the Fund may be a more feasible option than a "round-up" program. Accordingly, language requiring a utility to participate in a "round-up" program has been deleted.

PART VII

Part 7 establishes a one-call system to identify the location of underground facilities. It requires all owners of underground facilities to subscribe to the service.

Additional language was inserted to establish treble damages for failure to use the one-call system if such a failure results in an outage or interrupted utility service.

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. 2843, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2843, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Garcia, Takumi and Meyer.
(Representative Kanoho voted no.)

SCRep. 124-00 Energy and Environmental Protection and Education on H.B. No. 2701

The purpose of this bill is to provide greater energy self-sufficiency in public schools by requiring the installation of photovoltaic systems.

This bill requires the Department of Education (DOE) to install photovoltaic systems and energy storage devices on all newly constructed or renovated public school buildings, to the greatest extent practicable. Once such devices have been installed, these public schools may be used as emergency shelters during natural disasters. This bill also authorizes these public schools to use single net meters and to sell excess electricity back to the utility.

Life of the the Land, the Sierra Club, Hawaii Chapter, and Malama o Manoa supported this bill. The DOE testified in opposition to this measure, and the Department of Accounting and General Services offered comments.

Your Committees agree that the installation of photovoltaic systems will provide greater energy self-sufficiency in the public schools. To keep the discussion alive on the merits of this bill, your Committees have deleted the provisions that:

- (1) Require the DOE to install photovoltaic systems and energy storage devices on all newly constructed or renovated public school buildings; and
- (2) Authorizes the use of public schools equipped with such systems to serve as emergency shelters during natural disasters.

New language has been inserted that:

- (1) Establishes a renewable energy demonstration project in the DOE to determine the feasibility and cost effectiveness of installing such systems in the public schools;
- (2) Directs the DOE to select one public school in each school district to participate in this demonstration project; and

- (3) Requires the submittal of a progress report and final report to the Legislature prior to the convening of the regular sessions of 2001 and 2002, respectively.

Provisions that remain in the bill allow the selected public schools to use a single net meter and to sell electricity back to the utility. An unspecified appropriation also remains in the bill.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2701, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2701, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representatives Kanohe, Okamura, Morihara, Stegmaier and McDermott.

SCRep. 125-00 Higher Education on H.B. No. 2069

The purpose of this bill is to establish a commission to evaluate gubernatorial nominees to the University of Hawaii Board of Regents.

In addition, this bill establishes the evaluation commission within the Senate for administrative purposes, requires the Senate President to select the chairperson of the commission, and deems the commission's meetings to be executive meetings that are closed to the public. This bill also extends the term of Board of Regents members from four to ten years and allows board members to be reappointed once, and provides board members with an annual compensation not exceeding \$25,000 to be set at the discretion of the board.

Your Committee received testimony in favor of this measure from the University of Hawaii Professional Assembly. Informational testimony was received from the University of Hawaii Board of Regents and the Office of Information Practices.

Your Committee agrees with the intent of the bill to establish a commission to evaluate nominees to the Board of Regents, and to require the Governor to submit all nominees for vacancies to the Commission. Upon further consideration, however, your Committee has amended the bill by:

- (1) Changing the term of Board of Regents members from ten years to no more than two six-year terms;
- (2) Deleting the compensation to be provided to board members other than necessary travel expenses within the State; and
- (3) Increasing the membership on the evaluation commission from seven to nine members by adding two students to be selected by the President of the University of Hawaii, one enrolled at a four-year post-secondary institution and the other enrolled at a community college in 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. 2069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2069, 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. 126-00 Judiciary and Hawaiian Affairs on S.B. No. 914

The purpose of this bill is to specify that in a question for a constitutional convention, ballots cast includes blank ballots and over votes.

The Office of Elections, Common Cause Hawaii, and the League of Women Voters of Hawaii testified in support of the measure.

Your Committee finds that the Hawaii Supreme Court in the case of *Hawaii State AFL-CIO v. Yoshina*, 84 Haw. 374, 935 P.2d 89, (1997) ruled that blank votes and over votes are to be counted in ballots cast on a question for a constitutional convention. This measure conforms the Hawaii Revised Statutes with the Hawaii Supreme Court's decision.

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 S.B. No. 914 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Hiraki, Takumi, Yoshinaga and Auwae.

SCRep. 127-00 Energy and Environmental Protection on H.B. No. 2201

H.B. No. 2201 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 Energy and Environmental Protection that is attached to this report, your Committee is in accord with the action to report out H.B. No. 2201, as amended herein, and recommends that it be recommitted to the Committee on Energy and Environmental Protection, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2201, H.D. 1.

Signed by all members of the Committee.

SCRep. 128-00 Consumer Protection and Commerce on H.B. No. 2439

The purpose of this bill is to effectuate its title.

H.B. No. 2439 was introduced as a short-form bill, that 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. The purpose of H.B. No. 2439, H.D. 1, is to transfer jurisdiction of the regulation of all digital communication from the Public Utilities Commission to the Department of Commerce and Consumer Affairs. The language contained in H.B. No. 2439, H.D. 1 is contained in various sections of H.B. No. 2901 - "A BILL FOR AN ACT RELATING TO THE NEW ECONOMY."

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 action to report out H.B. No. 2439, as amended herein, and recommends that it be recommitted to the Committee on Consumer Protection and Commerce, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2439, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Herkes, Morita, Yoshinaga, Halford and Thielen.

SCRep. 129-00 Health on H.B. No. 2833

The purpose of this bill is to permit an insured to direct an insurer to reimburse a dental provider, regardless of whether the provider is a participating provider with the insurer.

Testimony in support of this bill was submitted by the Hawaii Dental Association and several concerned individuals. Testimony in opposition to this bill was submitted by the Hawaii Government Employees Association, Hawaii Medical Service Association, The Chamber of Commerce of Hawaii, Legislative Information Services of Hawaii, and University Health Alliance.

Your Committee has amended this measure by:

- (1) Clarifying that an insurer shall reimburse the provider based upon the insurer's benefit fee schedule and guidelines regardless of whether or not the provider is a participating provider with the insurer;
- (2) Removing the interest penalty against an insurer for nonpayment of a claim; and
- (3) Deleting the provisions allowing certain disputed claims to be excluded from the reimbursement requirements; and
- (4) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2833, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2833, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Kahikina.

SCRep. 130-00 Higher Education on H.B. No. 2063

The purpose of this bill is to clarify the source of funding to pay for benefits for certain University of Hawaii employees.

Specifically, this bill requires that employer contributions of retirement and health insurance benefits for employees whose base salaries are funded through the University of Hawaii tuition and fees special fund be paid from the state general fund.

Your Committee finds that deploying the special fund revenues to finance the retirement and health benefits of university employees works a financial hardship upon students.

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. 2063 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, Santiago and Stegmaier.

SCRep. 131-00 Higher Education on H.B. No. 2812

The purpose of this bill is to propose a constitutional amendment that would give the University of Hawaii (University) autonomy in all matters relating to the University.

The University and the Hawaii Business Roundtable supported this bill. The Hawaii Government Employees Association supported the intent of this bill.

Your Committee finds that it would be in the best interest of the University to have the the autonomy afforded under the provisions of this proposed constitutional amendment. This bill would give the University the ability to:

- (1) Create policy and formulate its internal management without the constraints of statutory restrictions;
- (2) Effect changes in a more timely and flexible manner; and
- (3) Achieve academic excellence and serve as a force for economic development in the State of Hawaii.

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2812, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2812, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 132-00 Transportation on H.B. No. 1769

The purpose of this bill is to expedite the issuance of driver's licenses without identifying social security numbers for licensees whose licenses are not nearing expiration.

Your Committee finds that the legislature authorized the issuance of driver's licenses for new and renewed licenses without social security number identifications during the 1999 session, to be effective on January 1, 2001. Your Committee further finds that a driver's license is the most used means of identification on the many occasions for which identification is required. Your Committee further finds that, since most driver's licenses are now issued for six years, licensees may have several years before renewal is required, thus continuing to have the social security number subject to misuse by unscrupulous others.

This bill proposes that any driver whose license expires after January 1, 2002, who requests a replacement driver's license without a social security number imprint, shall receive a free replacement license if application is made between January 1, 2001, to December 31, 2001.

Testimonies in support of this measure were received from the Office of Information Practices and from a citizen whose license does not expire until 2005. Testimonies in opposition were received from the Department of Transportation, which restricted its opposition to commercial licenses, and 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. 1769 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 Catalani, Okamura, Saiki and Yoshinaga.

SCRep. 133-00 Transportation on H.B. No. 2823

The purpose of this bill, as received, is to exempt from the fees and charges assessed by the motor carrier law, those persons engaged in the transport of school children and teachers to and from school and school functions, and providing transportation at special rates for groups and conducting nonregular excursions.

Your Committee finds the motor carrier industry to be highly competitive. School bus operators would like to transport people for non-school related purposes.

Testimony in support of this bill was received from Gomes School Bus Service. Testimonies in opposition to this bill were received from the Hawaii Transportation Association, Kobayashi Travel Service, Ltd., Trans Hawaiian Services, Roberts Hawaii, and Polynesian Adventure Tours.

Your Committee has amended this bill by deleting its substance and amending it to exempt school buses from section 271-8.5, Hawaii Revised Statutes(HRS), which restrict advertising practices, and from section 271-36(c), HRS, which stipulates that the Public Utilities Commission may charge an amount it deems necessary and reasonable to defray administrative costs. Other technical, nonsubstantive amendments were made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2823, H.D. 1, and be referred to the Committee on Education.

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

SCRep. 134-00 Transportation on H.B. No. 2880

The purpose of this bill is to reduce noise pollution, caused by reversing large vehicles, in residential communities from 12:00 midnight to 5:30 in the morning.

Your Committee finds that certain large vehicles are required to use audible warning signals at all times when reversing. Your Committee further finds that there has been a noticeable increase in noise pollution in metropolitan areas, and that among the major contributors are the beeping sounds from reversing large vehicles. Your Committee further finds that audible signals are less necessary after midnight, since pedestrian and vehicle traffic has decreased.

This bill proposes that audible warning signals may be turned off manually from midnight to 5:30 a.m.; provided that bright flashing lights in the rear of large vehicles are activated as they reverse.

Testimonies in support of this measure were received from the Waikiki Residents Association, the Waikiki Neighborhood Board, and from two other residents of Waikiki whose sleep is being disturbed by the loud beeping sounds. The Legislative Information Services of Hawaii agreed with the concerns expressed by residents, but was concerned about liability, if flashing lights, rather than audible signals, were employed. The Hawaii Transportation Association testified against the proposed bill, one argument being that flashing lights are not widely recognized for a vehicle in reverse gear.

Your Committee has amended this bill by deleting "no longer than _____ seconds" on page 3, line 20.

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. 2880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2880, H.D. 1, and be referred to the Committee on Energy and Environmental Protection.

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

SCRep. 135-00 Human Services and Housing on H.B. No. 2432

The purpose of this bill is to create additional low-income housing by:

- (1) Allowing partnership, limited liability company, and S corporation investors to claim the State's Low-income Housing tax credit whether or not they claim the Federal tax credit; and
- (2) Giving ownership entities flexibility to separately allocate the State and Federal tax credit among its partners and members.

The Housing and Community Development Corporation of Hawaii, the Department of Taxation, and the Legal Aid Society of Hawaii testified in support of this measure.

The Tax Credit Program (Program) creates affordable housing for persons earning less than sixty percent of the median income. The Program provides investors in qualified affordable rental housing developments with tax credits to offset income for a period of ten years. In return, the investors provide equity to these projects in exchange for tax credits being generated over the following ten years.

Your Committee finds that an investor may claim the State tax credit only if the investor also claims the Federal tax credit. By allowing investors to claim the State tax credit whether or not they claim the Federal tax credit, and by allowing ownership entities

the flexibility of separately allocating the State and Federal tax credits among its partners and members, the State will, among other things, infuse more capital into Hawaii's affordable rental housing projects and increase leveraging of the limited tax credits, ultimately resulting in the creation of additional low-income units.

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. 2432 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. 136-00 Human Services and Housing on H.B. No. 2510

The purpose of this bill is to allow the Department of Human Services to pay for foster board allowances for higher educational expenses directly to accredited institutions of higher learning.

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. 2510 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. 137-00 Human Services and Housing on H.B. No. 2159

The purpose of this bill is to provide services for persons with disabilities in the least restrictive environment by appropriating funds to eliminate the waitlist for Hawaii's Home- and Community-based Services Waiver Program (Waiver Program).

The Arc in Hawaii, the Hawaii Disability Rights Center, and Kokua Council testified in support of this measure. The Department of Human Services (DHS) and the State Planning Council on Developmental Disabilities testified in support of the intent of this measure.

Your Committee finds that services through the Waiver Program give persons with disabilities the opportunity to integrate into the community and become productive, happy, and healthy citizens.

Your Committee further finds that a waitlist also exists for the Waiver Program for individuals with mental retardation or developmental disabilities (MR/DD Waiver Program). An additional \$6,000,000 would cover the projected 140 individuals to be admitted into the MR/DD Waiver Program for fiscal year 2000-2001, and allow 360 individuals into the MR/DD Waiver Program over the next fiscal year.

To further enhance these efforts and reduce the waitlist, your Committee has amended this measure by:

- (1) Clarifying that the appropriations will help 432 people who continue to wait for Medicaid Waiver Programs, such as the Nursing Home Without Walls Program, the Residential Alternatives Community Care Program, and the Program for All-Inclusive Care for the Elderly;
- (2) Clarifying that there are approximately 800 individuals on the waitlist for the MR/DD Waiver Program;
- (3) Reducing the general fund appropriation to expand the Waiver Program from \$11,200,000 to \$2,653,604;
- (4) Appropriating \$6,000,000 in general funds to the Department of Health to expand the MR/DD Waiver Program;
- (5) Raising DHS' federal and interdepartmental fund ceilings for the MR/DD Waiver Program; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2159, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 138-00 Human Services and Housing on H.B. No. 2935

The purpose of this bill is to eliminate the issuance of a county business license to operate lodging or tenement houses, hotels, and boardinghouses. This measure also repeals the \$10 annual license fee.

The Department of Customer Services of the City and County of Honolulu testified in support of this measure.

Lodging or tenement houses, hotels, and boardinghouses are regulated by both the Department of Health and county departments regulating building and zoning codes. Your Committee finds that requiring the issuance of a county business license in addition to other regulatory processes is unnecessary government regulation.

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. 2935 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. 139-00 Human Services and Housing and Health on H.B. No. 1835

The purpose of this bill is to make safer all of Hawaii's dependent citizens by:

- (1) Requiring the Department of Health (DOH) to request national and local criminal history checks on operators and employees of adult residential care facilities and nursing homes;
- (2) Requiring the Department of Human Services (DHS) to request national and local criminal record checks on operators and employees of home care agencies; and
- (4) Establishing rules regarding the use of criminal record checks in the screening of applicants.

The Hawaii State Commission on the Status of Women, Hawaii Coalition for Affordable Long Term Care, Executive Office on Aging, and AARP supported this bill. DHS, DOH, and the State Attorney General supported the intent of this bill.

Your Committees find that this bill addresses important personnel issues for various types of care centers. These agencies need to be able to ensure that their employees and managers are trustworthy, and the criminal record check is an effective means by which to discover important information about the applicants and make prudent decisions regarding their employability.

Your Committees have amended this bill by:

- (1) Requiring that the DOH request criminal history checks on operators and employees of assisted living facilities;
- (2) Requiring the DOH and and DHS to request criminal history checks on operators and employees of day care centers for elder disabled and aged persons instead of operators and employees of home care agencies;
- (3) Requiring the DOH and DHS to perform fingerprinting services for criminal record checks;
- (4) Allowing the DOH and DHS to charge fees for criminal record checks and fingerprinting services; and
- (5) Making appropriations to the DOH and DHS for administrative costs associated with criminal record checks and fingerprinting services.

Your Committees further find that the amendments to the bill address a variety of additional concerns associated with these criminal record checks. Decentralizing the fingerprinting services within the DOH and DHS will facilitate the criminal record check process.

Additional changes were also made, including clarifying the agencies that are covered by the bill, and authorizing fees and making appropriations to cover the costs which will be incurred by the DOH and DHS.

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. 1835, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1835, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees except Representative Stegmaier.

SCRep. 140-00 Health and Public Safety and Military Affairs on H.B. No. 2894

The purpose of this bill is to establish a Substance Abuse Policy Council within the Office of the Governor to develop statewide policy regarding education, prevention, and treatment programs.

The Department of Public Safety, the American Civil Liberties Union of Hawaii, the Community Alliance on Prisons, and a member of the public testified in support of the measure. The Judiciary, the Hawaii Paroling Authority, and the Department of Health (DOH) supported the intent of the measure. The Department of Taxation, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Department of Accounting and General Services, the Department of Human Services, and Volcano Vineyard, commented on the measure.

Anheuser Busch, the Wine Institute, Tedeschi Vineyards, Ltd., the Hawaii Liquor Wholesalers Association, and the Hawaii Hotel Association opposed the bill.

Your Committees find that substance abuse is a growing problem in Hawaii. Your Committees believe that this measure will help to resolve this growing social problem.

Your Committees have amended this bill by deleting language establishing a Substance Abuse Policy Council and replacing it with language establishing a Substance Abuse Multi-Agency Coordinating Council (SAMACC). Under the amended bill, SAMACC would:

- (1) Develop a statewide integrated policy setting the general direction for substance abuse prevention and treatment; and
- (2) Be chaired by the Director of Health or the director's designee, or by a rotating chair as established by a majority vote of the members of SAMACC.

This bill would further require DOH to:

- (1) Provide staffing for SAMACC;
- (2) Serve as the multi-agency task force lead facilitator and coordinator;
- (3) Provide the latest research and quality assurance review findings to assist the task force in identifying promising strategies to increase the effectiveness of the statewide prevention and treatment continuum of programs;
- (4) Hire an exempt grantwriter to assist SAMACC and the state agencies in securing additional funding to support an integrated continuum of programs;
- (5) Assist SAMACC in promoting substance abuse awareness and education efforts; and
- (6) Provide an annual report on SAMACC activities to develop an integrated substance abuse policy, including a report on the extent to which program planning and funding requests have been integrated and coordinated.

Testimony received from DOH indicated that the Community Alliance Advisory Committee can be established by the DOH without express statutory authorization. Therefore, your Committees have deleted the provisions establishing a Community Alliance Advisory Committee.

Technical, nonsubstantive amendments have also been made for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health 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. No. 2894, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2894, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees except Representative Pendleton.
(Representatives Stegmaier and McDermott voted no.)

SCRep. 141-00 Health on H.B. No. 2423

The purpose of this bill is to establish a reporting mechanism to assist the Department of the Attorney General (AG) enforce the requirement that tobacco product manufacturers who did not participate in the national Master Settlement Agreement are to deposit certain amounts into escrow based on the number of cigarettes sold in Hawaii.

The AG testified in support of this measure. The Hawaii Nurses' Association testified in qualified opposition, concerned that portions of the Tobacco Settlement Funds (Funds), which were intended for tobacco prevention and health promotion programs, would be transferred from the Department of Health to the AG.

Your Committee finds that if the State is not effectively enforcing Act 188, SLH 1999, the State's share of the Funds may be subject to a substantial reduction. This measure ensures that Hawaii faces no risk of reduction to its share of the Funds.

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. 2423 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. 142-00 Health on H.B. No. 2524

The purpose of this bill is to repeal the provision requiring the issuance of a permit to vendors who sell prophylactics using coin-operated machines.

The Department of Health testified in support of this bill.

Your Committee recognizes the need for sensitivity in placing the prophylactic vending machines. Certain locales may or may not be appropriate for such machines. The amended language gives the Department of Health the discretion to adopt rules to regulate the placement of vending machines if problems arise in this area.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2524 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 143-00 Health on H.B. No. 2394

The purpose of this bill is to ensure primary and preventive health care for the uninsured by appropriating funds for health care for the medically underserved.

The Healthcare Association of Hawaii and an individual testified in support of this measure. The Department of Health (DOH) testified in support of the intent and offered amendments.

Your Committee finds that this measure will ensure the enduring viability of community health centers to maintain cost-effective care for the uninsured.

Your Committee has amended this measure by:

- (1) Authorizing, instead of mandating, DOH to provide resources to providers caring for the uninsured; 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. 2394, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2394, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 144-00 Energy and Environmental Protection and Agriculture on H.B. No. 2183

The purpose of this bill is to support the construction of fuel grade ethanol production facilities and thereby promote energy self-sufficiency and economic development in this State. This bill authorizes the issuance of \$80,000,000 in special purpose revenue bonds to assist the Worldwide Energy Group, Inc., in developing ethanol facilities on Kauai as well as other locations in the State.

Ethanol can be produced from agricultural crops or by-products as well as municipal solid wastes. Up to ten percent of ethanol can be blended in gasoline without altering the performance or operating reliability of gasoline-powered vehicles.

Your Committees find that the development of ethanol facilities could have a major impact on the future of the sugar industry in Hawaii. On Kauai, Gay & Robinson, Inc., continues to seek higher value uses of its molasses and bagasse. Since these products are excellent feedstocks for producing ethanol, Gay & Robinson is pursuing a joint venture with the Worldwide Energy Group, Inc., to develop an ethanol facility on that island. However, to make this an economically viable project, financing through the issuance of special purpose revenue bonds is necessary.

Supporting testimony was presented by the Worldwide Energy Group, Inc., Gay & Robinson, Inc., and the Aina Institute for Bioconversion Technology. The Department of Business, Economic Development, and Tourism supported the intent of this measure, and the Department of Budget and Finance offered comments.

Your Committees have amended this bill by:

- (1) Reducing the amount of issuance from \$80,000,000 to \$50,000,000 to reflect the amount required for the first phase of development; 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 Energy and Environmental Protection and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2183, as

amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2183, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ahu Isa, Herkes, Luke, Halford, Rath and Takumi.

SCRep. 145-00 Energy and Environmental Protection and Water and Land Use on H.B. No. 2895

The purpose of this bill is to require that environmental assessments (EAs) and environmental impact statements (EISs) include the disclosure of the effects of a proposed action on the cultural practices of the community and State.

The Office of Hawaiian Affairs, Hawaii's Thousand Friends, the Sierra Club, Hawaii Chapter, Life of the Land, the Kupuna Advisory Council/Hookipa Network, Earthjustice Legal Defense Fund, Annette's Adventures, the Kohanaiki Ohana, the Ilioulaokalani Coalition, the Ahupuaa Action Alliance, and one individual testified in support of this measure. The Office of Environmental Quality Control (OEQC) supported the intent of this bill, and the University of Hawaii's Environmental Center and an individual offered comments.

There have been past attempts to include an assessment of cultural resources in EISs. During the mid-1990s, the Environmental Council (Council) developed draft EIS rules that included a definition of cultural impacts and required their disclosure. However, in 1996, the Governor disapproved these rules because the Council would have been overstepping its authority. The Governor maintained "...that the Legislature is the proper body to address the cultural impact statement process. In the absence of new law, these rules should not attempt to legislate on this issue."

In 1997, the Council adopted guidelines for assessing cultural impacts. According to OEQC, all EAs and EISs are now required to address cultural impacts. Nevertheless, it is your Committees' understanding that these guidelines still lack the full force of law. Passage of this bill will clarify matters by specifically requiring that any adverse effects on cultural practices be assessed under the environmental review process.

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. 2895 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees.

SCRep. 146-00 Tourism on H.B. No. 2904

The purpose of this bill is to establish a regulatory framework for the conduct of legal shipboard gaming in Hawaii.

Pacific Cruises and Hawaii Gaming Advocates, Inc. testified in support of the measure. The Hawaii Government Employees Association submitted testimony in support of the measure with proposed amendments. Outrigger Hotels & Resorts testified in support of the intent of the measure. The Department of the Attorney General, Department of Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Hawaii Green Party, Maui Hotel Association, Hawaii Conference United Church of Christ, Hawaii Pacific Baptist Convention, Hawaii Association of International Buddhists, Life of the Land, Coalition of Hawaii State/Counties, Advocates for Consumer Rights, League of Women Voters of Honolulu, Hawaii Family Forum, Hawaii Coalition Against Legalized Gambling, United Methodist Church, Wailuku Union Church, Christian Voice of Hawaii, Pacific Gateway Center, Hawaii Chapter of the National Rainbow Coalition, Inc., and several individuals submitted testimony in opposition to the measure. Comments were submitted by the Office of Information Practices, Hawaii Catholic Conference, League of Women Voters of Honolulu, and Paradise Cruise, Ltd.

Hawaii is one of only two states that does not have any form of legalized gaming. Your Committee notes that illegal gaming is prevalent in the State despite efforts by law enforcement to control such activity. In addition, it is estimated that 40,000 Hawaii residents travel to Las Vegas each month to participate in gaming and other attractions. These and other factors have compelled policymakers to take a greater look at the issue of establishing legalized gaming in the State.

Furthermore, in these difficult economic times, when financial stresses have put a terrible strain on individuals and their families due to a lack of jobs and other employment opportunities, it is incumbent upon policymakers to take immediate and effective action to address the day-to-day economic needs of the community.

Your Committee recognizes that in providing for economic opportunities for the people, careful consideration must be given to the type of economic activity and the impact that the activity will have on the community as a whole. Your Committee is cognizant of the concerns raised about gaming. However, your Committee believes that this bill, by:

- (1) Limiting gaming activities offshore on ships; and
- (2) Restricting the number of licenses to operate these shipboard gaming activities to only four;

will enable the State to strictly and rigorously regulate gaming activities to address these concerns.

In addition, this bill provides other security and safety net protections, including:

- (1) Providing stringent licensing and eligibility requirements;
- (2) Making licensees subject to bonding requirements with the Department of Business, Economic Development, and Tourism;
- (3) Establishing civil and criminal penalties, including forfeiture, for gaming violations;
- (4) Stipulating that the books and records of licensed owners are under the purview of the Uniform Information Practices Act; and
- (5) Making shipboard gaming operations subject to legislative oversight.

Upon further consideration, your Committee has amended this bill to provide additional safeguards and protections, including:

- (1) Increasing the licensing fee from \$15,000 to \$10,000,000 for each year of operation to operate and maintain a gaming ship in the State to ensure that the licensees have the financial resources, security, and experience to operate gaming in a professional and responsible manner;
- (2) Mandating the Hawaii Gaming Board to require licensees to charge a fee of \$10 per person for admission to a ship to discourage those without financial resources from participating in the gaming activities;
- (3) Specifying that all berthing permits issued for licensees are valid until December 31, 2008, unless earlier revoked or suspended, to ensure that licensees will engage in high quality and committed investment in the community; and
- (4) Providing for the expiration of licenses on December 31, 2008, to coincide with the repeal of the Shipboard Gaming Law.

In providing for the broader economic needs of the State through this bill, your Committee finds that the State must also prepare for Hawaii's economic future. A strong, viable economy, characterized by diversity, growth, and stability, requires an educated workforce. Your Committee further finds that shipboard gaming offers a well-timed opportunity to address the educational needs of Hawaii's people. While this bill will create new jobs in the immediate future, your Committee believes that the moneys generated by this new economic activity should be earmarked to prepare our children for the future.

With many of Hawaii's public schools in disrepair and the dire need of funds for school equipment and classroom resources, moneys from gaming provide an attractive and stable source of funding for education. Your Committee finds that shipboard gaming would infuse additional moneys into the State and that these additional funds should be earmarked for education, thereby assuring that students are afforded a conducive learning environment and expanding the range of quality programs, which are key to academic success.

In addition, your Committee is cognizant of the social problems that can be generated by gaming activities and believes that funds should also be provided to those who may need counseling and other assistance.

After careful deliberation, your Committee has further amended the bill by:

- (1) Creating the Education Special Fund to be funded with moneys generated from gaming, to be used for educational purposes to:
 - (A) Support capital improvements and enhancements for educational purposes and programs;
 - (B) Provide free voluntary pre-kindergarten for four-year-olds;
 - (C) Provide Helping Outstanding Pupils Education (HOPE) scholarships to students who maintain a 3.0 grade point so that they may obtain a free college education in the University of Hawaii System;
 - (D) Provide teacher HOPE scholarships to teachers to obtain advanced degrees in critical fields of study; and
 - (E) Provide increased access to computer and telecommunication technology so that students will have hands-on experience with computer learning programs;
- (2) Creating the Gaming Addiction Interdiction and Education Special Fund to be funded with moneys generated from gaming, to provide counseling and other assistance to those with gaming problems;
- (3) Providing that of the total amounts collected under the Shipboard Gaming Law, the moneys will be disbursed as follows:
 - (A) Two percent into the State Gaming Fund;

- (B) Ninety-six percent into the newly created Education Special Fund; and
- (C) Two percent into the newly created Gaming Addiction Interdiction and Education Special Fund to provide assistance through a Gaming Addiction Interdiction and Education Program;
- (4) Specifying that all admission fees be deposited into the State Gaming Fund;
- (5) Excluding \$83,333,333 in adjusted gross receipts per year from the 12 percent tax rate paid on the adjusted gross receipts from games authorized under the Shipboard Gaming Law;
- (6) Clarifying that the Hawaii Gaming Board assess fees for the copying of government records in accordance with section 92-21, Hawaii Revised Statutes; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee recognizes that gaming in and of itself is not the panacea for Hawaii's economic problems; however, it is your Committee's belief that shipboard gaming will provide Hawaii's people with jobs, generate much-needed resources to improve the educational quality of Hawaii's schools, and infuse moneys into the state economy.

To alleviate concerns that are associated with gaming, it is the intent of your Committee to ensure that gaming in Hawaii is conducted in a controlled environment, subject to stringent safeguards. It is your Committee's belief that shipboard gaming, as provided in this bill, takes a prudent and proactive approach to address what the public deems as their top concerns in the State: the economy and education.

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. 2904, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2904, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Herkes and Luke.
(Representatives Morihara, Fox and Halford voted no.)

SCRep. 147-00 Legislative Management on H.B. No. 2361

The purpose of this bill is to establish a medical savings account (MSA) pilot program for payment of medical expenses of state legislators, legislative employees, and their dependents only.

The Hawaii Medical Journal, Hawaii Federation of Physicians and Dentists, Hawaii Medical Association, and several concerned individuals testified in support of this measure. Several of the testifiers indicated that the scope of the bill should be expanded to cover all state employees.

MSAs are tax-free savings accounts in which the funds are used to pay for medical expenses. Your Committee finds that the use of MSAs will allow the State to save money by empowering employees to be more cost-conscious in using the health care system. Further, this pilot program would help control the rising cost of healthcare and provide tax savings for participants.

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. 2361 and recommends that it pass Second Reading and be referred to the Committees on Labor and Public Employment and Finance.

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

SCRep. 148-00 Legislative Management on H.B. No. 2920

The purpose of this bill is to clarify the Legislative Auditor's "working papers privilege" by broadening the immunity.

The Legislative Auditor supported this bill, but recommended amending the bill to extend protection to the Auditor's other officials, employees, consultants, and independent contractors if the Auditor is compelled by any person, legal process, or order to make any disclosure of its working papers.

The Department of Accounting and General Services testified in opposition to this bill. The Judiciary commented on this bill, requesting that the bill be referred to the Hawaii Supreme Court's Committee on the Rules of Evidence for study, comparative analysis, and a report to the 2001 Legislature.

After careful consideration, your Committee has amended the bill by incorporating the recommendation of the Auditor.

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. 2920, as amended herein, and recommends that it pass

Second Reading in the form attached hereto as H.B. No. 2920, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Takamine.

SCRep. 149-00 Consumer Protection and Commerce on H.B. No. 2467

The purpose of this bill is to authorize the Director of Commerce and Consumer Affairs to retain in-house counsel to represent the Division of Consumer Advocacy (Division).

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs (DCCA), Public Utilities Commission (PUC), GTE Hawaiian Tel, Kauai Electric/The Gas Company, and Hawaiian Electric, Inc.

DCCA testified that over the years it had experienced a high turnover of legal counsel assigned by the Office of the Attorney General to assist the Division. This turnover has negatively affected the ability of the Division to represent, protect, and advance the interests of individual and business consumers of utility services, which representation requires experienced legal counsel. DCCA stated that Division counsel must become knowledgeable and experienced in dealing with the theories in which utility rate regulation is grounded, and that include accounting, engineering, finance, economics, and statistics. In addition, counsel must possess the long-term institutional knowledge of, and be aware that issues raised in one docketed matter are inter-related with other issues raised in other dockets.

Your Committee finds that by authorizing in-house counsel for the Division, this measure would provide for greater stability in the legal workforce representing consumers before the PUC, and thus for better representation and protection of the interests of consumers in PUC regulation.

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. 2467 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, Morita, Yoshinaga, Rath and Thielen.

SCRep. 150-00 Consumer Protection and Commerce on H.B. No. 2469

The purposes of this bill are: (1) to permit the Director of the Department of Commerce and Consumer Affairs (DCCA) to delegate subpoena issuing authority to the Director's designee; and (2) to establish a rate of reimbursement to be paid to financial institutions for searching, reproducing, and/or transporting books, papers, documents, or other objects designated by the subpoena in amounts no greater than those paid by the Department of the Attorney General and Office of the Prosecuting Attorney as provided in Hawaii Revised Statutes section 28-2.5.

Your Committee received testimony supporting this bill from the DCCA. Testimony in opposition was submitted by the Hawaii Bankers Association and the Hawaii League of Savings Institutions.

As affirmed by the records of votes of the members of your Committee on Consumer Protection and Commerce that are attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2469 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, Morita, Yoshinaga, Rath and Thielen.

SCRep. 151-00 Consumer Protection and Commerce on H.B. No. 1944

The purpose of this bill is to provide the respective counties with the option of either sharing revenues collected under the public service company tax which are in lieu of real property taxes or foregoing the revenue sharing and collecting real property taxes.

Testimony in support of this measure was submitted by the City and County of Honolulu, County Council of Maui, County Council of Hawaii, Chairman of the County Council of Kauai, Corporation Counsel of the County of Hawaii, Kona-Kohala Chamber of Commerce, Tax Foundation of Hawaii, Hawaiian Electric Company, Inc., GTE Hawaiian Telephone, and Kauai Electric/The Gas Company.

Testimony in opposition to this measure was submitted by the Department of Budget and Finance and Life of the Land.

Testimony commenting on this measure was submitted by the Public Utilities Commission.

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. 1944, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1944, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 152-00 Consumer Protection and Commerce on H.B. No. 2218

The purpose of this measure is to authorize expenditures out of the captive insurance administrative fund for promotional activities related to the captive insurance industry.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, Becher+Carlson Risk Management Inc., Hawaii Captive Insurance Council, Marsh Management Services Inc., and a private attorney.

Your Committee has amended this bill to specify that funds from the captive insurance fund are to be deposited into the insurance regulation fund to pay for the promotional expenditures contemplated by 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. 2218, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2218, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hiraki and Morita.

SCRep. 153-00 Consumer Protection and Commerce on H.B. No. 2222

The purpose of this bill is to appropriate funds for a comprehensive review of the Condominium Property Regimes law, to be conducted by the Real Estate Commission (Commission) for the purpose of developing legislation to reorganize, clarify, and deregulate the condominium property regimes law.

The Department of Commerce and Consumer Affairs testified in strong support of the measure. Your Committee also received testimony in support of the bill from the Hawaii Association of Realtors, Community Associations Institute, and a private individual.

Your Committee finds that the condominium law, first enacted in 1961, was intended to establish a form of real property ownership allowing self-governance by apartment owners with minimal government intervention. However, over its 39-year life, the law has been subject to numerous, piece-meal amendments, and has expanded from seven to over 135 sections. As a result, the law is not "user friendly." It is currently disorganized and unclear, as evidenced by the numerous ongoing requests for assistance, and the concerns expressed to the Commission by apartment owners, boards of directors, managing agents, developers, real estate licensees, government officials, and attorneys.

Your Committee finds that recodification of the condominium law would not only benefit condominium owners and facilitate condominium self-governance, but would also result in increased governmental and industry efficiency in an important sector of our real estate marketplace.

Your Committee has amended this measure consistent with the Commission's recommendations that are based on departmental experience in recodifying the insurance and financial institution laws. The amendments authorize the Commission to establish a temporary full-time condominium specialist position to provide the commitment and responsiveness needed to conduct the review contemplated by this measure.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2222, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hiraki and Morita.

SCRep. 154-00 Consumer Protection and Commerce on H.B. No. 2465

The purpose of this bill is to improve the ability of the Division of Financial Institutions (Division) to administer the Code of Financial Institutions (Code) by:

- (1) Empowering the Division to:
 - (A) Waive fees for good cause;
 - (B) Expedite emergency applications;

- (C) Subpoena witnesses; and
- (D) Recover costs of public requests for search, review, or segregation of Division records;
- (2) Correcting inadvertent errors in Acts 245 and 264, Session Laws of Hawaii 1999;
- (3) Deleting language inadvertently restricting the unlimited investment allowed by financial institutions in State of Hawaii obligations;
- (4) Clarifying the grounds for removing institution-affiliated persons, and revoking or suspending a charter or license; and
- (5) Amending foreign bank application procedures under the Code to increase uniformity with procedures applicable to all financial institutions regulated by the Division.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee has 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. 2465, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2465, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Morita, Yoshinaga, Rath and Thielen.

SCRep. 155-00 Consumer Protection and Commerce on H.B. No. 2487

The purpose of this measure is to amend the Hawaii Hurricane Relief Fund (HHRF) to make possible a post-hurricane issuance of revenue bonds to pay claims made under HHRF policies.

Your Committee received testimony in support of this measure from the HHRF and the Department of Budget and Finance (Department).

The Department testified that in the course of working with the HHRF to obtain a bond insurance commitment to facilitate a post-event revenue bond issuance, certain technical impediments were found by bond counsel, and that the measure was drafted by bond counsel to address these impediments. HHRF testified that section 43 IP-5.5, Hawaii Revised Statutes, impedes pledging assessments needed for post-hurricane bonds and creates uncertainty regarding the total amount of bonds that may be issued. According to HHRF, housekeeping amendments are needed to address these problems.

Your Committee has made technical, nonsubstantive amendments to this measure for purposes of 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. 2487, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2487, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Morita, Yoshinaga, Rath and Thielen.

SCRep. 156-00 Consumer Protection and Commerce on H.B. No. 2986

The purpose of this measure is to grant the state comptroller sufficient authority to establish a captive insurance company, that will be owned by the State in order to insure the general liabilities of state agencies pursuant to chapter 41D of the Hawaii Revised Statutes.

Testimony in support of this measure, with proposed amendments, was submitted by the Department of Accounting and General Services (DAGS).

Testimony commenting on this measure was submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that the State will save money under the proposed scheme since the state-owned captive insurance company will allow the State direct access to the discounted premium rates available in the reinsurance market.

Your Committee has amended this measure to be consistent with the amendment proposed by DAGS to ensure that the establishment of a captive insurance company is an option and not mandatory. Technical, nonsubstantive amendments have also been made by your Committee 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. 2986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2986, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Hiraki, Morita, Takumi, Yoshinaga, Halford and Thielen.

SCRep. 157-00 Higher Education on H.B. No. 1989

The purpose of this bill is to appropriate funds for the Small Business Development Center (Center) at the University of Hawaii at Hilo.

The funds are necessary to keep the Center operational as its closure could result in a loss of federal funds. Federal requirements for funds for the Center's program dictate that the programs be statewide and closure of the Center could be considered as a lack of statewide participation. Since 1994, the State has received \$15 in federal funds for every \$1 the State has invested in this program for a total of \$26,000,000.

The County of Hawaii, Hawaii Small Business Development Center Network, County of Kauai's Office of Economic Development, University of Hawaii's Office of Technology Transfer and Economic Development, Central Pacific Bank, Torkildson, Katz, Fonseca, Jaffe, Moore & Hetherington Attorneys at Law, A Law Corporation, The Chamber of Commerce of Hawaii, Hawaii Community Loan Fund, Maui Economic Opportunity, Hawaii Association of Realtors, H & S Publishing, Lynn C. Fox & Associates, Inc., Kauai Business Assistance Corporation, Kauai Chamber of Commerce, Visitor Industry Training and Education Center, Kauai Micro, Maui Community College, and concerned citizens testified in support of this bill.

Your Committee has amended this bill by increasing the amount of the appropriation from \$345,000 to \$735,000. Technical, nonsubstantive amendments have also been made for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1989, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1989, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 158-00 Higher Education on H.B. No. 2815

The purpose of this bill is to appropriate funds for two full-time positions:

- (1) One theater manager to supervise, coordinate, and participate in the overall process of technical production; and
- (2) One theater technician II to maintain theater equipment and manage technical operations such as sound, lighting, and film projector operations,

to run the Kauai Community College's Performing Arts Center (PAC).

Currently, PAC is staffed by volunteers who are not always available or who do not have the technical training to operate the equipment. Full-time positions will increase public safety and protect the State's investment in the facility.

The University of Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2815 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, Okamura and Santiago.

SCRep. 159-00 Ocean Recreation and Marine Resources on H.B. No. 2826

The purpose of this bill is to appropriate funds for the Department of Land and Natural Resources (DLNR) to work with the Oceanic Institute to provide for the development of a fish breeding program on the island of Molokai.

Increased commercial and recreational fishing of nearshore waters off of the island of Molokai has led to the depletion of reef fish and other fish populations. The establishment of a fish breeding program will help reestablish fish populations in this area. Since Molokai has one of the highest unemployment rates in the State, the development of a fish breeding program will provide an environmentally-friendly, low-impact means to boost employment and encourage greater self-sufficiency among island residents.

The Oceanic Institute and Representative Sol Kaho'ohalahala testified in support of this bill. The DLNR testified in support of the concept of this bill but could not fully support it since it would adversely impact its priorities in the Executive Biennium Budget.

Your Committee finds this bill worthy of further consideration to help to enhance fish stocks as well as the economy of Molokai, but it is not the intent of your Committee to adversely impact DLNR's budget priorities.

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. 2826 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia and Kanoho.

SCRep. 160-00 Ocean Recreation and Marine Resources on H.B. No. 2579

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to lease by public auction or direct negotiation the Ala Wai and Keehi small boat harbors for redevelopment. This bill also clarifies that:

- (1) Leases issued for these small boat harbors may include uses, other than maritime-related activities, that complement or support the purpose of the lease; and
- (2) The revenue due to the State from these leases shall be deposited into the Boating Special Fund.

The estimated cost required to redevelop and create "world class" facilities at Ala Wai and Keehi small boat harbors is over \$24,000,000. Redevelopment of Ala Wai small boat harbor is considered a key element in overall efforts to revitalize Waikiki, and redevelopment of Keehi small boat harbor is a necessary first step in transforming Keehi Lagoon into a major water recreation area. Since funding in this amount exceeds the capability of present state resources, leasing Ala Wai and Keehi small boat harbors to private interests is an alternative means of accomplishing the redevelopment of these facilities at no cost to the State.

The DLNR, the Waikiki Improvement Association, Hilo Hattie, and several concerned individuals testified in support of this bill. The Ala Wai Marina Committee, the Hawaii Boaters Political Action Association, and many concerned individuals testified in opposition to this bill. The Hawaii Government Employees Association offered comments on this bill.

Your Committee has amended this bill by:

- (1) Requiring that the Board of Natural Resources (BLNR), in an issuing a lease, shall comply with the provisions of Section 171-53, Hawaii Revised Statutes. This section requires the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution before leasing submerged lands or lands beneath tidal waters.

This bill will allow the State to solicit proposals for privatization of the Ala Wai and Keehi small boat harbors. Any proposal will have to address concerns about public access, traffic, noise pollution, and safety through the conditions of the lease and must be approved by the BLNR, and by the Legislature.

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. 2579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2579, H.D. 1, and be referred to the Committees on Labor and Public Employment and Finance.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 161-00 Economic Development and Business Concerns on H.B. No. 2438

The purpose of this bill is to expand the State Enterprise Zones Law to include:

- (1) Businesses engaged in research, development, sale, or production for all types of genetically-engineered medical, agricultural, or maritime biotechnology products;
- (2) Call centers; and
- (3) Businesses that repair assisted technology equipment.

This bill also allows business firms to be designated a qualified business on a yearly basis with the approval of the applicable governing county body and the Department of Business, Economic Development, and Tourism (DBEDT) upon the business firm's providing satisfactory proof of its eligibility.

The Department of Taxation, DBEDT, a council member from the County of Hawaii, the Hawaii Island Economic Development Board, the Hawaii Agriculture Research Center, and Industry Network Corporation testified in support of this measure.

Your Committee has amended this bill by:

- (1) Including manufactured products under the definition of "call center"; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on 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. 2438, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2438, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Ito and Morihara.

SCRep. 162-00 Economic Development and Business Concerns on H.B. No. 2876

The purpose of this bill is to allow contractors to pay the general excise tax (GET) on a cash basis, provided the contractor notifies the Department of Taxation (DOTAX) of the basis upon which the GET is to be reported.

The Construction Industry Legislative Organization, the Sheet Metal Contractors Association, the General Contractors Association of Hawaii, Alakai Mechanical Corporation, Associated Builders and Contractors, Inc., the Plumbing and Mechanical Contractors Association of Hawaii, the Building Industry Association of Hawaii, Hidano Construction, Inc., and Hawaii Surety Association testified in support of this measure. DOTAX submitted comments on this measure and indicated that it is not opposed to this measure. Comments were also submitted by the Tax Foundation of Hawaii and the Subcontractors Association of Hawaii.

Your Committee notes that while contractors may use special accounting methods for long-term contracts for federal and state income tax purposes, only cash and accrual methods can be used for GET purposes. Contractors using the percentage of completion method or the completed contract method must use the accrual method of reporting the GET unless the contractor can justify using the cash method of accounting. Under the accrual method of accounting, contractors report their income and pay the GET even though their payment may be delayed because the rights to payment have been established. This bill will allow contractors to report on a cash basis.

Your Committee has amended this bill by:

- (1) Clarifying that the taxpayer may report on a cash basis, rather than deal on a cash basis;
- (2) Specifying that the bill shall apply to general excise taxes on gross proceeds or gross income arising after January 1, 2001; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2876, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Ito and Morihara.

SCRep. 163-00 Economic Development and Business Concerns on H.B. No. 2964

The purpose of this bill is to appropriate funds to encourage and support community-based physical improvements that are the result of comprehensive regional community-based economic development planning initiatives.

The Hawaii Alliance for Community-Based Economic Development (HACBED), the Big Island Sustainable Communities Association, the Hamakua District Development Council, the Hilo-Hamakua Community Development Corporation, Honomu Computer Resource Center, the Pacific Gateway Center, and several individuals testified in support of the measure. The Department of Business, Economic Development, and Tourism (DBEDT) testified in support of the intent of the measure but indicated that it is unable to support new proposals for budget items that are not already in its Supplemental Budget.

Your Committee notes that the Community-Based Economic Development Program (Program) has been successful in helping communities to become more economically self-sufficient through the creation of economic development ventures and jobs. This Program has provided technical and financial assistance to nonprofit community-based organizations statewide that are involved in economic development efforts.

Your Committee has amended this bill by:

- (1) Specifying that the physical improvements are part of an existing or emerging comprehensive, regional, multi-sector community-based strategic action planning process coordinated by HACBED;

- (2) Stipulating that the appropriation is to be expended by DBEDT's Program; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2964, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Ito and Morihara.

SCRep. 164-00 Transportation on H.B. No. 2691

The purpose of this bill is to conform the penalties for driving under the influence of drugs(DUID) with those penalties for driving under the influence of intoxicating liquor(DUI).

Your Committee finds that the maximum imprisonment terms for drivers convicted of drug impairment are inconsistent with imprisonment terms for drivers convicted of alcohol impairment.

This bill sets maximum imprisonment terms for drug impairment so that they are consistent with those for impairments due to consumption of intoxicating liquor. This bill also provides that persons sentenced for DUID may be ordered to reimburse the county for the cost of blood tests.

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 Honolulu Police Department, and Mother's Against Drunk Driving. Testimony in opposition to this bill was received from the Hawaii Association of Criminal Defense Lawyers.

Your Committee has amended the bill by making the following amendments:

- (1) Clarifying that the court is required to order an offender to obtain appropriate treatment if the counselor's assessment establishes the offender's drug abuse or dependence;
- (2) Clarifying that the bill applies retroactively to all pending first-offense cases for DUID and not DUI; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2691, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2691, 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. 165-00 Transportation on H.B. No. 2727

The purpose of this bill, as received by your Committee, is to expedite the process of shipping vehicles interisland.

Your Committee finds that a registered owner of a vehicle, which has an outstanding loan balance, must obtain notarized consent from the financial institution that remains the legal owner before being permitted to ship a vehicle to another island. Your Committee further finds that the shipping company considers that requiring the registered owner to obtain the consent of the legal owner before shipping is a time-consuming, delaying, unnecessary step. Your Committee further finds that banks want to protect financial interests in their loans by requiring their consent before vehicles are shipped interisland.

This bill proposes that the current registration of the registered owner shall be sufficient to ship vehicles from one island to another.

Testimony in support of this measure was received from Young Brothers, Inc. Testimony in opposition was received from the Hawaii Bankers 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. 2727 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 Catalani, Okamura, Saiki and Yoshinaga.

SCRep. 166-00 Transportation on H.B. No. 2906

The purpose of this bill, as received by your Committee, is to require all towing companies to have the proper identifications on the doors of all of their tow trucks.

Your Committee finds, that under the present statute, a towing company is required to have the name and telephone number of the business only on both doors of the tow truck being called to a towing site. Your Committee further finds that there have been frequent incidents of illegitimate use to unmarked tow trucks to steal vehicles. Your Committee further finds that only the tow trucks being called to tow a vehicle are required to have identifications on their doors.

This bill proposes to require towing companies to have signage on both doors, with the name and telephone number, on all of their tow trucks, not just the one being called to a towing site.

Testimonies in support of this measure were received from the Department of Commerce and Consumer Affairs, the city and county of Honolulu, the Hawaii Towing Association, and Affordable Towing & Recovery Service.

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. 2906 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 Catalani, Okamura, Saiki and Yoshinaga.

SCRep. 167-00 Economic Development and Business Concerns and Consumer Protection and Commerce on H.B. No. 2258

The purpose of this bill is establish a capital access program (program) in the Department of Commerce and Consumer Affairs (DCCA).

The Department of Business, Economic Development, and Tourism (DBEDT) testified in support of the intent of this measure. DCCA submitted comments on this measure.

Your Committees note that the purpose of the program is to encourage lending to small- and medium-sized businesses and nonprofit organizations, and accordingly, have amended this bill by establishing the program in DBEDT, rather than in DCCA.

Technical, nonsubstantive amendments were made to conform to drafting conventions.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2258, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2258, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola and Hiraki.

SCRep. 168-00 Higher Education on H.B. No. 1782

The purpose of this bill is to appropriate funds for the University of Hawaii at Hilo for academic and counseling support services.

Your Committee received testimony in favor of this measure from the University of Hawaii.

Your Committee finds that approximately half of UH Hilo's student population of 2,800 is comprised of individuals from disadvantaged backgrounds. Your Committee further finds that this bill, which is designed to assist academically under-prepared, low-income, first-generation, and non-traditional college students at UH Hilo, will help to increase these students' college retention and graduation rates, thereby further helping to meet the professional and technological workforce needs of the State. Your Committee finds that a skilled workforce will assist in improving Hawaii's economic development by serving as an incentive in attracting new businesses to the State.

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

- (1) Changing the amount appropriated from \$125,000 to \$80,000; and
- (2) Making the appropriation applicable only to fiscal year 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. 1782, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1782, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 169-00 Higher Education on H.B. No. 2060

The purpose of this bill is to authorize the University of Hawaii community colleges to deposit their special fund revenues into system special funds.

The University of Hawaii and the University of Hawaii Professional Assembly supported this bill.

Your Committee finds that the Community Colleges require flexibility to manage resources and operations in a more effective and efficient manner. Your Committee has amended this bill to insure that its intent is achieved. As amended, this bill will provide the Community Colleges with the latitude to utilize funds in a more comprehensive manner.

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. 2060, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2060, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 170-00 Economic Development and Business Concerns on H.B. No. 2182

The purpose of this bill is to reduce the pyramiding effect of the general excise tax (GET) by providing a GET exemption for manufacturers on the sale of their products for resale at wholesale.

Industry Network Corporation, Kilauea Bakery, Palama Meat Co., Inc., the Hawaii Food Manufacturers Association, and Hawaii Beef Packers, Inc. testified in support of this measure. The Department of Taxation (DOTAX) also testified in support of this measure, but indicated that the bill will not accomplish its intended purpose. Comments were submitted by the Tax Foundation of Hawaii, the Meat and Poultry Association of Hawaii, and Island Plastic Bags, Inc.

Your Committee notes that under current law, the gross proceeds derived by a Hawaii manufacturer from the sale of tangible personal property for resale at wholesale is subject to the GET at the 0.5 percent rate. The GET is imposed on the manufacturer at the wholesale rate and is in lieu of the GET at the 0.5 percent rate on the "manufacturing" activity under section 237-13(1), Hawaii Revised Statutes (HRS). This bill amends section 237-29.55, HRS, to provide a GET exemption on the gross proceeds from the sale of tangible personal property for resale at wholesale by Hawaii manufacturers.

According to DOTAX, this bill will not accomplish its intended purpose as the proposed "wholesaling" exemption will trigger the GET at the 0.5 percent rate on the "manufacturing" activity, which would offset the exemption provided in the bill.

Accordingly, your Committee has amended this bill by:

- (1) Carrying out the intended purpose of the bill by specifying that sales by a manufacturer or producer under the sale of tangible personal property for resale at wholesale exemption, are not subject to the GET on manufacturers for the privilege of manufacturing or producing in the State; and
- (2) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2182, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2182, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morihara.

SCRep. 171-00 Water and Land Use on H.B. No. 2309

The purpose of this bill allows the exchange of private and public lands located in North Kona, Hawaii.

The state proposes to enter into a land exchange with Earl E. Bakken involving private lands located on the coast of Kiholo Bay, and nine acres of public lands located inland of Kiholo Bay. The coastal property to be acquired by the State is surrounded by state lands and has significant recreational, environmental, and cultural value to the people. The acquisition of this property would consolidate the State's holdings around Kiholo Bay and improve public access from mauka public lands to the shoreline. It also represents a critical parcel in the future development of a State Park at Kiholo Bay. The inland property to be acquired by Bakken are of significantly less public value due to their very limited recreational resources, but is located adjacent to Bakken's current residence.

Your Committee received testimony as follows:

1. The Hawaii Leeward Planning Conference, four private citizens, and a representative of the Bakkens, in support;
2. The Office of Hawaiian Affairs, in opposition; and
3. The Department of Land and Natural Resources (DLNR), which took no position.

Your Committee finds that this land exchange is an unusual circumstance that requires special legislation to deviate from the general policy for reasons that have a benefit to the public. Dr. Earl E. Bakken has improved the health care industry in the Kona/Kohala Coast of the island of Hawaii. He has improved the overall health care available to residents and visitors in the area. Therefore, the proposed land exchange is an attempt to improve Dr. Bakken's personal safety, security and emergency response, as the Bakkens are reaching a time in their lives that may require some assistance.

In accordance with the statutes, this public land exchange must be of substantially equal value to that of the private land. In addition, it is your Committee's intent that the lands acquired would take on the status of ceded lands, thereby keeping the corpus of the Public Land Trust whole.

A Conservation Use District Application for this land exchange request has been accepted by DLNR for processing with a public hearing tentatively scheduled for March.

Chapter 171, Hawaii Revised Statutes, provides for legislative oversight after the land exchange has been completed.

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. 2309 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 172-00 Water and Land Use on H.B. No. 2568

The purpose of this bill is to replace the 'Aina Ho'omalua Special Fund with the State Parks Special Fund to carry out program objectives.

Testimony was received in support of the bill from the Department of Land and Natural Resources (DLNR).

Testimony in opposition to the bill was received from the Office of Hawaiian Affairs.

Your Committee finds that due to the continuing malaise of the State's economy and with diminishing revenues to support state services, including the administration and operation of the State Parks System, the 'Aina Ho'omalua Special Fund should be eliminated with revenues generated being deposited instead into a State Parks Special Fund. This will give DLNR greater flexibility to allocate revenues generated by the State Parks System to benefit all State Park Programs including continued support to the 'Aina Ho'omalua State Parks Program, supplementing general fund appropriation. Currently, special fund moneys in excess of budgeted amounts have from time to time been transferred to the general 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. 2568 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 173-00 Water and Land Use on H.B. No. 2574

The purpose of this bill is to deposit moneys generated by the disposition of mineral and water rights into the Special Land and Development Fund; and to authorize the use of the Special Land and Development Fund for activities undertaken by the Commission on Water Resource Management (Commission) pursuant to chapter 174C, Hawaii Revised Statutes (HRS).

Testimony was received in support of the bill from the Department of Land and Natural Resources (DLNR).

Testimony in opposition to the bill was received from the Office of Hawaiian Affairs.

Your Committee finds that this bill would provide for additional moneys for the proper and important mandates DLNR for sound natural resource management. The issuance of water licenses requires the technical expertise and support of the staff of the Commission. This bill would authorize the moneys collected to be disbursed, in part, to the Commission for administration of its water resource management program.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2574 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 174-00 Water and Land Use on H.B. No. 2782

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to execute mitigation plans for the landowner, permittee, or developer, on request, for inadvertent discovery of burial sites.

Testimony was received in support of this bill from the Department of Land and Natural Resources (DLNR) and the Environmental Center of the University of Hawaii at Manoa.

No testimony in opposition to this bill was received.

Comment was offered by the Office of Hawaiian Affairs (OHA) supporting this bill but asking that it be amended to allow families to be involved in the process.

Your Committee finds that when inadvertent burials are discovered, DLNR sends staff to the scene. The staff investigates the situation and decides whether the human remains are to stay in place or be relocated. If the remains are to be removed, DLNR will on occasion undertake this task, especially in cases when the ocean has eroded the remains from the shoreline. However, the property owner usually hires a consulting archaeologist to perform this work. The language in this bill will explicitly give DLNR authority to implement mitigation plans, and to charge appropriate fees as compensation for such action. There is already provision in this bill that addresses the concerns of OHA.

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. 2782 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 175-00 Human Services and Housing on H.B. No. 2509

The purpose of this bill is to allow the Department of Human Services to regulate kinship care services.

The Department of Human Services testified in support of this bill with amendments. The Department of the Attorney General testified in support of the intent of this bill.

Your Committee finds that encouraging kinship care would enable children to remain safely and permanently with their relatives when the children cannot return to their own homes.

Your Committee has amended the bill by requiring the person seeking to give kinship care to submit to a criminal record check, a fingerprinting process, and a fee for the criminal record check.

Technical, nonsubstantive amendments were also made to this measure for purposes of consistency and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2509, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2509, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 176-00 Human Services and Housing on H.B. No. 2512

The purpose of this bill is to give the Department of Human Services (DHS) flexibility to help public assistance recipients become self-sufficient by allowing DHS to adjust its financial assistance payments.

DHS, the American Friends Service Committee, the Legal Aid Society of Hawaii, and an individual testified in support of this measure.

DHS testified that it is in the process of developing several varied and innovative employment programs, including a grant diversion program that offers benefits up-front in exchange for barring further assistance for a specified period of time. DHS is requesting flexibility in the monthly benefit amount to support the implementation of these programs. DHS also testified that adjustments in the assistance allowance would only be allowed to support employment and would not cost the State any additional funding.

To facilitate participation in these programs, your Committee expressed its desire to have DHS provide counseling and orientation to targeted recipients and communities to promote education and understanding of these 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. 2512 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.

SCRep. 177-00 Human Services and Housing on H.B. No. 2860

The purpose of this bill is to increase work program services by appropriating \$1,500,000 for two-parent families receiving Aid to Families with Dependent Children funded by the State or Temporary Assistance to Other Needy Families (TAONF) funds.

The Legal Aid Society of Hawaii testified in support of this measure. The Department of Human Services and the American Friends Service Committee testified in support of the intent of this measure.

Your Committee finds that two-parent families, under this bill, are part of the State-funded TAONF Program. TAONF is currently providing work program services under contract to up to 600 individuals through Goodwill on Oahu and up to 480 individuals through Insights to Success in west Hawaii. These 1,080 slots are available to serve an average caseload of 10,211 TAONF adults.

An additional \$1,500,000 would revise the work program capacity to 2,760, leaving 5,326 adults who need to obtain employment. This measure would expand work program services to this group.

Your Committee has amended this measure by:

- (1) Reducing the appropriation to \$1 for purposes 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 Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2860, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2860, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stegmaier.

SCRep. 178-00 Human Services and Housing and Health on H.B. No. 2238

The purpose of this bill is to ensure access to primary and preventive health care to all of Hawaii's residents by providing a mechanism to provide supplemental Medicaid/QUEST payments to federally qualified health centers and rural health centers that parallels provisions of the Balanced Budget Act of 1997.

The Hawaii State Primary Care Association and the Waianae Coast Comprehensive Health Center testified in support of this measure. The Department of Human Services opposed this measure.

Your Committees find that this measure will ensure that community health centers continue to act as safety net providers to serve those most in need of health care.

Your Committees have amended this measure by:

- (1) Appropriating \$1 for purposes of further discussion; 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 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. 2238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2238, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Stegmaier.

SCRep. 179-00 Health on H.B. No. 2463

The purpose of this bill is to protect consumers and patients by:

- (1) Requiring applicants for Advanced Practice Registered Nurse (APRN) recognition to have an unencumbered APRN recognition or similar designation in states in which the nurse has a current and active recognition as an APRN; and
- (2) Clarifying that APRNs who are not recognized by the board may use titles designated by national certifying bodies.

The Board of Nursing, the Hawaii Nurses' Association, and two individuals testified in support 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. 2463 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 Kahikina.

SCRep. 180-00 Health on H.B. No. 2464

The purpose of this bill is to clarify and to make consistent current language relating to the duties of the Hawaii Board of Nursing (Board), by enabling the Board to:

- (1) Consult and confer with experts on various issues;
- (2) Communicate with national organizations to promote consumer safety and welfare;
- (3) Administer the nursing exams;
- (4) Contract with a professional test vendor; and
- (5) Develop rules relating to telehealth, as necessary.

The Board, the Hawaii Nurses' Association, the University of Hawaii at Manoa School of Nursing, and the Hawaii Government Employees Association testified in support 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. 2464 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 Kahikina.

SCRep. 181-00 Health on H.B. No. 2486

The purpose of this bill is to require the National Board of Chiropractic Examiners Part IV examination in place of the state Chiropractic Licensure Examination. It also updates the educational requirements for chiropractic practitioners and authorizes the Board of Chiropractic Examiners to require the National Board of Chiropractic Examiners Special Purpose Examination for Chiropractic for other licensing situations under their responsibility.

The Board of Chiropractic Examiners, the Hawaii State Chiropractic Association, and the Hawaii Chapter American Physical Therapy Association 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. 2486 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 Kahikina.

SCRep. 182-00 Health on H.B. No. 2488

The purpose of this bill is to reduce the cost of health care without compromising public health by permitting long-term care facilities or supervised living groups to return unused prescription drugs for redistribution.

The Departments of Health (DOH), Human Services (DHS), and Commerce and Consumer Affairs (DCCA), the Hawaii State Primary Care Association, the Hawaii Long Term Care Association, and the Hawaii Pharmacists Association (Pharmacists Association) testified in support of this measure. The Department of Public Safety (DPS) submitted comments.

DHS, through the Medicaid Fee-for-Service Program (Medicaid Program), provides funding for more than eighty percent of all medical services for Hawaii residents in long-term care facilities. Payments for pharmaceutical agents in the Medicaid Program have been increasing more than fifteen percent per year. In the fourth quarter of 1999, DHS spent more than \$1,200,000 for drugs used in long-term care facilities.

DHS has been informed by long-term care facilities that drugs are being significantly wasted due to the inability of the pharmacies to take back and redistribute them. Presently, prescription drugs that have been dispensed and bear the patient's name cannot be put to use if the patient dies or no longer needs the medication. This measure will ensure the integrity of returned drugs by allowing the return and redistribution of drugs in well-defined situations.

Your Committee finds that prior to the public hearing, DCCA, the Board of Pharmacy, DHS, DOH, DPS, and the Pharmacists Association had convened, and is now requesting amendments to the bill. Your Committee agrees with the suggested recommendations and has amended this measure by:

- (1) Clarifying that the returned prescription drug must be in its dispensed, unopened, tamper-evident single user unit;
- (2) Replacing the term "long-term care facilities" with "institutional facilities";
- (3) Deleting the requirement that the prescription drug must be in its original container, in appropriate quantity for use by a single user, and has not been dispensed and repackaged from a larger container;
- (4) Requiring that the prescription drug must not be a controlled substance under the Uniform Controlled Substances Act; 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. 2488, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2488, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Kahikina.

SCRep. 183-00 Education on H.B. No. 2097

The purpose of this bill is to require teachers and other personnel of the Department of Education under the same salary schedule to receive their normal annual increment or longevity increase, as the case may be, for a year's satisfactory service in any fiscal year that an increase in the appropriate salary schedule is effected.

Your Committee received testimony in support of this bill from the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that there are regional shortages of qualified teachers in the United States. More specifically, some regions have an oversupply of qualified teachers and other regions--like Hawaii--have an undersupply of qualified teachers. These regional shortages are caused, in part, by the maldistribution of qualified teachers in the United States. In order to recruit and retain qualified teachers, the State must ensure that the benefits of living and teaching in Hawaii outweigh the costs of moving to another state or changing professions. The retention of qualified teachers will become absolutely critical if the State wants to eventually eliminate the practice of allowing teachers to teach outside their areas of certification because of the lack of certified teachers, and of allowing non-teachers to teach in Hawaii's public schools because of the lack of qualified teachers.

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. 2097 and recommends that it pass Second Reading and be referred to the Committees on Labor and Public Employment and Finance.

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

SCRep. 184-00 Education on H.B. No. 2092

The purpose of this bill is to establish the running start program in the Department of Education.

The running start program allows high school students to take community college courses and satisfy both college and high school course requirements simultaneously.

Your Committee finds that this program is based on Washington State's running start program that has grown from 358 students in 1993, to 12,458 students in the 1998-1999 school year. Washington's success with the program during the past seven years has generated genuine excitement and enthusiasm for learning that has not only helped students individually, but has enhanced the academic atmosphere in their high schools as well.

Your Committee further finds that the running start program will motivate students to improve their academic skills to better prepare themselves for college and also provide a much needed opportunity for students interested in industrial arts classes that are not available at the high school level.

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. 2092 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 Stegmaier.

SCRep. 185-00 Education on H.B. No. 283

The purpose of this bill is to change the status of the nonvoting student member of the Board of Education (BOE) to that of a voting member.

Kokua Council and several students testified in support of this bill. BOE opposed this bill.

Your Committee finds that allowing the student member of the BOE to have voting status constitutes a positive change for the BOE. The student member sees and experiences the effects of the Board's policymaking first-hand and is in constant contact with other students. Students are both the consumers and the products of the educational system. Therefore, being a student gives the member unique insights into the needs of the BOE's constituency and the quality of the educational product.

Your Committee further finds that the student is well-equipped to handle the responsibility of voting membership. Any student appointed to the BOE has undergone a rigorous screening process, and has demonstrated the intellect, maturity, and dedication necessary to perform well. Furthermore, concerns regarding the legality of having a voting student member have been addressed by the current and former state Attorney Generals. Both concurred that under the provisions of this bill, there would be nothing to restrict the minor student from being a voting member, as the State Constitution itself would allow for this. Accordingly, your Committee finds no reason to keep the student member of the BOE from attaining voting status, and urges the passage of this bill.

Your Committee has amended this bill by stipulating that the student member of the BOE shall not vote on matters concerning personnel, as the student could likely face serious conflicts of interest regarding these decisions.

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. 283, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 283, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 186-00 Education on H.B. No. 2039

The purpose of this bill is to appropriate funds to increase the availability of computers, software, and universal internet access to public high school students.

Your Committee received testimony in favor of this measure from the Superintendent of Education, the Hawaii State Teachers Association, and four students, including the Hawaii District Representative to the Hawaii State Student Council, the Student Body President of Kau High School, and the State Student Conference Planner for the Leeward District. Testimony in opposition to the measure was received from a former teacher at Campbell High School.

Your Committee agrees with the intent of the bill, and concurs with the Superintendent's concerns that limited access to computers and related technologies is the primary problem that Hawaii's students must deal with in their efforts to achieve the Hawaii content and performance standards relating to information and information technologies. Your Committee finds that this bill will assist Hawaii's high school students in succeeding in today's highly competitive and quickly evolving technological society.

To facilitate further discussion on the funding necessary to carry out the purposes of this measure, your Committee has amended this bill by replacing the blank amount appropriated with the amount of \$1.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2039, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2039, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 187-00 Education on H.B. No. 2040

The purpose of this bill is to appropriate \$800,000, to the Department of Education for the implementation of the Safety Risk Management Alliance Pilot Program.

The program will include the hiring of retired police officers to serve as school safety managers, in order to provide a comprehensive approach to safe and secure schools.

Your Committee received testimony in support of this bill from the Department of Education, the Hawaii State Teachers Association, and three high school students.

Your Committee finds that the Safety Risk Management Alliance Pilot Program will allow school safety concerns to be addressed by professional law enforcement personnel, and allow school personnel to focus more of their time on carrying out the mission of the public school system. The pilot program will help to prevent minor problems from escalating into major problems,

once discipline and order are restored to troubled school campuses. In addition, the pilot program will provide a modicum of protection to the schools from parents who are more concerned about the civil rights of their children than the victims of their children's criminal behavior. True success will be achieved when school personnel, including school safety managers, can move from a crisis response mode to a crisis prevention mode. For now, however, it is most important to restore order and discipline to school campuses where fear and intimidation cast a dark cloud over school personnel and students alike.

Your Committee has amended this bill by:

- (1) Changing the sum appropriated for the Safety Risk Management Alliance Pilot Program from \$800,000, to \$1, in order to facilitate further discussion; and
- (2) Making a technical nonsubstantive change for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2040, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 188-00 Education on H.B. No. 2050

The purpose of this bill is to appropriate funds to support existing drug abuse and treatment programs in public high schools, as well as to develop new programs in schools that do not currently have such programs.

The Hawaii Drug Abuse Resistance Education (DARE) Officers' Association, the Community Alliance on Prisons, and several students supported this bill. The Department of Education supported the intent of this bill.

Your Committee finds that there is a significant drug problem in high schools. The DARE program, in which lower and middle school students participate, does not extend into high school, where drug use is most prevalent. As testified to by several students, drugs are easily accessible, and there is widespread use even among the younger high school students. This bill will provide funds for treatment programs for students who might otherwise have no way to deal with their drug problems.

Your Committee has amended this bill by:

- (1) Inserting the amount of \$1 as the appropriation for this bill to facilitate further discussion; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2050, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2050, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 189-00 Education on H.B. No. 3003

The purpose of this bill is to establish the Adult Literacy Education Program within the community colleges of the University of Hawaii.

The University of Hawaii supported this bill. The Department of Education, the Hawaii Government Employees Association, the Hawaii State Teachers Association, Hawaii Community Education Association, and several individuals opposed this bill. The Department of Labor commented on this bill.

Your Committee finds that the community colleges would be better suited to providing adult literacy education than the Department of Education. Today's job market requires a literate workforce. The community colleges are already devoted to training adults into more able and productive workers. Placing the adult literacy component of the adult education program within the community colleges would put all job placement and workforce development resources within easy reach of those looking to gain functional literacy. The community colleges will also be able to maintain the affordability of the adult literacy classes, which is of prime concern to many of the adult education students.

Your Committee has amended this bill by clarifying that adult literacy education is the only part of the adult education program to be relocated within the community colleges. All references to "adult education and literacy education" were changed to read "adult literacy education."

Your Committee has further amended this bill by making technical, nonsubstantive changes for 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. 3003, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3003, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 190-00 Education on H.B. No. 3004

The purpose of this bill is to expedite the construction of public libraries statewide by authorizing the Board of Education (Board) to enter into development agreements with private developers.

Testimony in support of this measure was submitted by the Hawaii State Library System. Comments were submitted by the Department of Budget and Finance.

Your Committee has amended this bill by:

- (1) Deleting the reference to the 2001 deadline in which the Board is to submit a report to the Legislature; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors.

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

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

SCRep. 191-00 Education on H.B. No. 2388

The purpose of this bill is to extend the Department of Education's zero tolerance policy toward dangerous weapons, switchblade knives, intoxicating liquor, and illicit drugs to include department supervised activities on or off school property.

In addition, this bill prohibits the sale and use of dangerous weapons and switchblade knives, and the sale, consumption, and use of intoxicating liquor and illicit drugs, at department supervised activities on or off school property. This bill also extends the department's zero tolerance policy to activities that occur on school premises and during the school day, as opposed to only while a child is attending school.

Your Committee received testimony in support of this bill from the Department of Education and the Hawaii State Teachers Association, both of whom noted the need to extend the department's zero tolerance policy to supervised events that take place outside of school hours and off of school grounds.

Your Committee has amended this bill by:

- (1) Clarifying that the Department of Education:
 - (A) Is required to adopt rules to implement the new zero tolerance policy described in section 302A-1134.5(a), Hawaii Revised Statutes; and
 - (B) May exclude students from attending school for up to ninety-two school days pending the adoption of rules to implement the new zero tolerance policy;
- (2) Clarifying that disciplinary proceedings for the Department of Education under section 302A-1134.5(a), Hawaii Revised Statutes, are not subject to the thirty-day notice requirement of "section 91-9.5", Hawaii Revised Statutes, as opposed to "section 91-3", Hawaii Revised Statutes; and
- (3) 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. 2388, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2388, 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. 192-00 Agriculture on H.B. No. 1993

The purpose of this bill is to appropriate funds to support pineapple research projects related to the mealybug wilt virus, nematode management, and control of flowing and fruit quality through fruit development and post-harvest handling.

Your Committee finds that the pineapple industry is one of the primary agricultural industries in Hawaii and that the industry is a strong economic component of the State's financial base. Your Committee further finds that losing this industry would be socially and economically damaging to the State. The Hawaiian pineapple industry is experiencing strong competition and threats from the global marketplace due to the lower overseas cost of business.

Testimonies in support of this bill were received from the Board of Agriculture, the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, the Pineapple Growers Association of Hawaii, and the Hawaii Agriculture Research Center.

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. 1993 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, Halford and Rath.

SCRep. 193-00 Agriculture on H.B. No. 1996

The purpose of this bill is to appropriate funds for fiscal year 2000-2001 for research to control the heart rot of coconut palms caused by *Phytophthora katsurae*, a fungal pathogen.

Your Committee finds that the heart rot is a serious disease of coconut trees found on the windward and northern shores of Maui, Oahu, Kauai, and East and West Hawaii.

Testimonies in support of this bill were received from the Board of Agriculture, the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa, the Hawaii Farm Bureau Federation, the Mayor, County of Maui, the Maui County Farm Bureau, and the Hawaii Coconut Protectors.

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. 1996 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morihara.

SCRep. 194-00 Agriculture on H.B. No. 2793

The purpose of this bill is to carry over any unexpended or unencumbered funds at the close of fiscal year 1999-2000 for expenses incurred in the performance of the duties of the agribusiness development corporation board during fiscal year 2000-2001.

Your Committee finds that Act, 117, Session Laws of Hawaii 1999, appropriated \$400,000 for fiscal year 1999-2000 for operations of the agribusiness development corporation board. Your Committee further finds that five new members were appointed to the Board of Directors of the Agribusiness Development Corporation board in late September 1999 and that a new Executive Director of ADC was hired recently. Therefore, the Agribusiness Development Corporation board needs additional time to expend these funds rather than have the balances lapsed at June 30, 2000.

Testimonies in support of this bill were received from the Board of Agriculture, the Agribusiness Development Corporation, the Hawaii Farm Bureau Federation, and the Hawaii Agriculture Research Center.

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. 2793 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morihara.

SCRep. 195-00 Agriculture on H.B. No. 2997

The purpose of this bill is to increase the maximum amount of moneys that applicants may borrow from the Aquaculture Revolving Loan Fund in accordance with specified classes as follows: 1) Class A, Aquaculture farm ownership and improvement loans, from \$100,000 to \$400,000; 2) Class B, Aquaculture operating loans, from \$75,000 to \$400,000; and, 3) Class C, Aquaculture cooperative and corporation loans to purchase or improve land, building, and equipment, from \$250,000 to \$500,000, and, to finance inventories of supplies, warehousing, and shipping commodities, extension of consumer credit to justified farmer-members, and other normal operating expenses, from \$150,000 to \$300,000. The term for operating loans to finance inventories is extended from three to seven years.

Your Committee finds that aquaculture business cannot succeed or make necessary expansions because of lack of funding from lending institutions due to the lack of understanding of the aquaculture operations. Your Committee further finds that the costs for starting and running an aquaculture business have increased due to intensive technology and the need for capital funding.

The Board of Agriculture and the Mangrove Tropicals submitted testimonies in support of this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2997 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, Halford and Rath.

SCRep. 196-00 Agriculture on H.B. No. 2999

The purpose of this bill is to strengthen the Hawaii Right to Farm Act by:

- (1) Grandfathering non-nuisance farming operations that existed prior to the establishment of surrounding nonfarming operations on lands zoned other than agriculture;
- (2) Amending the provision awarding court and attorney fees to defendants for frivolous lawsuits against agricultural operations; and
- (3) Including commercial silvicultural facilities and activities under the definition of "farming operation".

The Hawaii Farm Bureau Federation, Life of the Land, and the Hawaii Agriculture Research Center testified in support of the measure. The Department of Agriculture testified in support of the intent of the measure. Comments were submitted by the Maui County Farm Bureau.

Your Committee recognizes the importance of Hawaii's Right to Farm Act in helping to reduce the economic risks and legal liabilities that can occur when nonagricultural land uses extend into agricultural areas. This bill is intended to limit the circumstances under which farming operations may be deemed to be a nuisance, thereby supporting the sustainability of farming operations.

Your Committee has amended this bill by:

- (1) Defining "generally accepted agricultural and management practices" as those practices as defined by the Board of Agriculture;
- (2) Providing that farming operations that have been conducted in a manner consistent with generally accepted agricultural and management practices are not nuisances; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2999, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Herkes, Morihara and Halford.

SCRep. 197-00 Agriculture and Ocean Recreation and Marine Resources on H.B. No. 2404

The purpose of this bill is to authorize the department of agriculture to establish and assess fees for aquatic animal and plant health diagnostic services and for any items or expert services purchased from the department related to aquaculture planning, disease management, and the marketing of seafood products. Additionally, this measure establishes the Aquaculture Development Special Fund and defines moneys to be deposited in the fund and the permitted uses of the moneys deposited in the fund. Also, the bill appropriates funds for fiscal year 2000-2001 to carry out the purposes of the aquaculture development special fund.

Your Committees find that the State budgets for aquaculture development in recent years have declined, particularly in the critical service area of aquatic animal health management. Workload in aquaculture disease management has increased dramatically with more species and farms, increasing the demands on financial resources. The procedures, e.g., virology, is also critical to keep Hawaii competitive in global markets. With limited general fund resources and the many demands for general fund monies, other sources of income must be developed to support the industry. Thus, charging fees for aquaculture services is one means of raising revenues that can be used to directly benefit the aquaculture industry.

Testimonies in support of this bill were received from the Board of Agriculture, the Hawaii Aquaculture Association, the Aquatic Farms, and the Mangrove Tropicals, Inc.

As affirmed by the records of votes of the members of your Committees on Agriculture 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. 2404 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, Herkes, Luke, Morihara, Halford, Rath, Cachola and Meyer.

SCRep. 198-00 Judiciary and Hawaiian Affairs on H.B. No. 2410

The purpose of this bill is to appropriate funds for the payment of resolved claims made against the State.

Testimony in support of this measure was received from the State Department of the Attorney General and a concerned individual.

Your Committee finds that there is sufficient justification for the payment of the settlements, judgments, and other claims submitted in the proposed measure.

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. 2410 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 199-00 Judiciary and Hawaiian Affairs on H.B. No. 2620

The purpose of this bill is to appropriate funds for the payment of judgments against, and settlements entered into by, the University of Hawaii for the satisfaction of claims against the University of Hawaii, its officers, or employees.

Testimony in support of this measure was submitted by the University of Hawaii.

Your Committee finds that there is sufficient justification for the payment of the settlements and miscellaneous claim submitted in the proposed measure. However, with respect to the settlement concerning hazardous waste violations of In the Matter of the University of Hawaii at Manoa, Docket No. 99-HW-EA-02, your Committee is concerned that the settlement amount will in part be paid to another state agency, i.e., the Department of Health. Accordingly, your Committee has recommended that only \$1 be appropriated for this settlement at this 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. 2620, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2620, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 200-00 Judiciary and Hawaiian Affairs on H.B. No. 1940

The purpose of this bill is to provide an increase in allowable fees for court appointed attorneys representing indigent criminal defendants.

Testimony in support of this measure was received from the State Department of Budget and Finance. Testimony was also received from the Office of the Public Defender.

Your Committee finds that the rates for court appointed attorneys representing indigent criminal defendants has not been increased since 1987, resulting in rates which are now below operational costs for many attorneys. This has caused many highly qualified attorneys to decline to take court appointed cases.

Your Committee finds that there is substantial justification for an increase in court appointed counsel fees, and amends the proposed measure by increasing the hourly fee to \$75, increasing the maximum fees schedule of Section 802-5 by approximately 25% (resembling the judicial salary increase of 22%), and making technical, non-substantive changes 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. 1940, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1940, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 201-00 Judiciary and Hawaiian Affairs on H.B. No. 2630

The purpose of this bill is to create an appropriation for the Office of Elections to hire and compensate necessary staff.

Testimony in support of this measure was received from the State Office of Elections, the Office of the City Clerk, and The League of Women Voters of Hawaii.

Your Committee finds that the hiring and retention of competent personnel by the Office of Elections is in the best interest of the people of the State, and that an appropriation for this purpose is justified.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2630, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 202-00 Judiciary and Hawaiian Affairs on H.B. No. 2632

The purpose of this bill is to make an appropriation for the Office of Elections to carry out its responsibility for educating voters on the new voting system.

Testimony in support of this measure was received from State Office of Elections, the Office of the City Clerk, and The League of Women Voters of Hawaii.

Your Committee finds that voter education is necessary and warrants an appropriation for that purpose.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2632, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2632, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 203-00 Judiciary and Hawaiian Affairs on H.B. No. 2653

The purpose of this bill is to waive selected filing fees for crime victims in civil enforcement proceedings involving court-ordered restitution.

Testimony in support of this measure was received from the State Judiciary and the City and County of Honolulu Department of the Prosecuting Attorney.

Your Committee finds that the provisions of this measure will facilitate the recovery of restitution for victims of crime without additionally burdening or revictimizing them.

Your Committee has amended this measure by amending the language of 706-647(1), and deleting the amendments to 706-647(3), to clarify the intended exemption.

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. 2653, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2653, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

SCRep. 204-00 Judiciary and Hawaiian Affairs on H.B. No. 2271

The purpose of this bill is to enable persons with developmental disabilities to live independent and productive lives in the community by appropriating funds to match federal funds for the Medicaid Home and Community based Services Waiver Program (Program).

Testimony in support of this measure was received from the State Department of Health, Department of Human Services, State Planning Council on Developmental Disabilities, Disability and Communication Access Board, Hawaii Disability Rights Center, and The Arc in Hawaii.

Your Committee finds that the best treatment for individuals with developmental disabilities is to be independent, productive, and integrated within the community. The appropriation of funds to match federal funds in the Program would assist in providing this treatment to many individuals.

Your Committee has amended this measure as received to reflect that there are over seven hundred individuals who may be eligible for the Program waitlist, and by 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. 2271, 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. 2271, H.D. 2.

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

SCRep. 205-00 Energy and Environmental Protection on H.B. No. 2549

The purpose of this bill is to delegate the responsibility of regulating individual wastewater systems from the Department of Health (DOH) to the counties.

Testimony in support of this bill was submitted by the DOH. The County of Kauai submitted testimony in opposition to this bill.

Your Committee finds that individual wastewater systems are regulated by the DOH which reviews, approves, and enforces rules on on-site wastewater systems such as cesspool, septic tank, and household aerobic treatment systems. The counties are responsible for the review of building permits. Therefore, there are two separate reviews for preconstruction and pre-use approvals for homes. There are also two separate inspection and enforcement systems for residential buildings.

Your Committee further finds that the public interest would be better served if the counties had total control of the building permit review and enforcement process. The counties already regulate the majority of the requirements relating to home building. The delegation of individual wastewater systems regulation to the counties would significantly decrease the processing time for building permits by eliminating the need for the public to submit their building permit applications to the DOH.

The County of Kauai has expressed concern that the bill does not provide for adequate long-term funding to the counties for assuming this additional function. Your Committee respectfully requests that the Committee on Finance clarify whether one-time or continuing funding should be authorized.

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

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. 2549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2549, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 206-00 Energy and Environmental Protection and Consumer Protection and Commerce on H.B. No. 2330

The purpose of this bill is to support the small scale production of electricity at or near the point of use. This bill requires the Public Utilities Commission (PUC) to:

- (1) Develop and implement a grant program to offset costs of eligible distributed generation systems; and
- (2) Establish appropriate interconnection and safety standards and requirements and operating agreements for distributed generation systems.

Distributed generation is the small scale production of electricity at or near the point of use, as opposed to central generation, where electricity is produced in large quantities at a remote site and transmitted to multiple users.

The County of Kauai Office of Economic Development, the Hawaii Renewable Energy Alliance, and The Gas Company supported the intent of this bill. The PUC, the Consumer Advocate, the Hawaiian Electric Company, Inc., and its subsidiaries, Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited, testified in opposition to this bill.

Your Committees find that a subsidy is not appropriate for distributed generation at this time and that the PUC would have inherent conflicts if it administered this grant program. Accordingly, your Committees have amended this bill by deleting the substance and inserting therefor new material the purpose of which is to assist renewable electricity producing facilities by:

- (1) Allowing such facilities to benefit from the State's enterprise zone program; and
- (2) Providing an exemption from the general excise tax for the sale of electric power to a public utility.

The amended language of this bill originated from H.B. No. 1966, which authorizes the sale of wind farm generated electricity sold to a public utility to qualify for state enterprise zone benefits. During the public hearing on this measure, certain testifiers urged that the scope of the bill be expanded to include other renewable energy technologies. However, due to the narrow title of H.B. No. 1966, your Committees agreed that H.B. No. 2330 represents a more appropriate vehicle.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2330, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2330, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 207-00 Energy and Environmental Protection and Ocean Recreation and Marine Resources on H.B. No. 2719

The purpose of this bill is to help protect Hawaii's threatened and endangered species by bringing the State's habitat conservation plans (HCPs) and safe harbor agreements (SHAs) law in closer conformity to federal regulations.

Specifically, this bill allows the Department of Land and Natural Resources (DLNR) to suspend or revoke any HCP or SHA if continuation of the permitted activity would appreciably reduce the likelihood of the survival or recovery of any threatened or endangered species.

This bill also eliminates the requirement for the State or federal government to carry out mitigation measures on behalf of the landowner in the event that, following the approval of an HCP or SHA, new circumstances or information indicates a failure to modify the HCP or SHA is likely to be detrimental to threatened or endangered species.

The Earthjustice Legal Defense Fund, the Sierra Club, Hawaii Chapter, and the Hawaii Audubon Society testified in support of this bill. The DLNR opposed this measure, and the University of Hawaii's Environmental Center offered comments.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Ocean Recreation and Marine Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2719 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, Meyer and Thielen.

SCRep. 208-00 Economic Development and Business Concerns on H.B. No. 2565

The purpose of this bill is to eliminate unnecessary government regulation by repealing Chapter 375, Hawaii Revised Statutes (HRS), the Garment Industry Homework Law.

The Office of the Lieutenant Governor, the Department of Labor and Industrial Relations (DLIR), and the Legislative Information Services of Hawaii testified in support of this measure.

Your Committee notes that Chapter 375, HRS, covers workers who sew at home for garment manufacturers. This law requires DLIR to issue an Industrial Homework Certificate if certain criteria are met by the employer and home worker. However, in the past three years, DLIR has issued only one certificate. Furthermore, there is no comparable federal law that requires certification of home workers. Your Committee notes that repeal of Chapter 375, HRS, will not remove minimum wage and overtime protection for workers.

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. 2565 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Morihara.

SCRep. 209-00 Transportation on H.B. No. 2721

The purpose of this bill, as received by your Committee, is to set standards to ensure that highway and bridge designers consider aesthetic, historic, and scenic values, along with safety and mobility in constructing, reconstructing, restoring, and maintaining present facilities.

Your Committee finds that aesthetic, scenic, historic, cultural and natural resources of an area are important factors that create a sense of place and provide communities with differing identities. Your Community further finds that communities risk losing their identities because bridge and highway designers follow specified standards, not recognizing that standards should allow some flexibility.

This bill proposes that the Director of Transportation shall establish new design standards, on or before January 1, 2002, to govern new construction, reconstruction, resurfacing, restoration, or rehabilitation of bridges, principal and minor arterial roads, collector and local roads, and streets. The bill further proposes that the standards shall take safety, durability, and economy of maintenance; the constructed and natural environment of the area; the potential effects on the state and local economies; the community development plans as reflected in county ordinances; the environmental, scenic, aesthetic, historic, community, and preservation impacts of the activity; and access to other mode of transportation into account.

Testimonies in support of this measure were received from the Department of Transportation, the Historic Hawai'i Foundation, Na Leo Pohai, Alliance for the Heritage of East Maui, Palama la Kona Heritage Preservation Council, North Hilo Community Association, Hawaii's Thousand Friends, Hanalei Roads Committee, Hawaii Heritage Roads Alliance, Life of the Land, and an interested citizen.

Your Committee has amended this bill by changing standards to guidelines, on page 4, line 6, to reflect the need for flexibility in designing bridges and highways; and amended the completion date for establishing guidelines from January 1, 2002, to June 30, 2003, to allow for completion of an ongoing manual. Your Committee further amended the proposed bill by adding an additional proviso to be taken into account: (7) "Access to and integration of sites deemed culturally and historically significant to communities affected."

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. 2721, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2721, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 210-00 Transportation on H.B. No. 2905

The purpose of this bill is to amend chapter 291C, Hawaii Revised Statutes, by adding a new section which would authorize the police to stop and arrest persons driving:

- (1) In excess of forty miles per hour over the maximum posted speed limit; and
- (2) In the officer's judgement, under circumstances presenting a danger to the driver and others.

Your Committee finds that a large percentage of traffic deaths are attributable to speeding related accidents. Your Committee further finds that under current law, police officers do not have the authority to arrest speeders.

Testimonies in support of this bill were received from the Honolulu Police Department and a concerned citizen.

Your Committee has amended this bill by making the following amendments:

- (1) Changing the violation from speeding in excess of "forty" to "twenty" miles over the maximum posted speed limit. Your Committee welcomes further discussion on setting the speed criterion for the violation; and
- (2) Removing the requirement that the arrest be made in the officer's judgment.

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. 2905, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2905, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 211-00 Economic Development and Business Concerns on H.B. No. 2020

The purpose of this bill is to repeal or make conforming amendments to various laws that have either been repealed by implication, or by their own terms by operation of law, and are now deemed to be "functus".

The term "functus" generally refers to laws that have accomplished their intended purpose and are of no further force or effect. Informational testimony was received from the Legislative Reference Bureau. This bill was prepared by the Bureau and submitted pursuant to sections 23G-3(10) and 23G-12(5), Hawaii Revised Statutes, which require the Bureau to engage in the function of revising the statutes of Hawaii.

Your Committee finds that several laws in the Hawaii Revised Statutes and the Session Laws of Hawaii may now be deemed to be obsolete, or functus, in that they have accomplished their intended purpose and are now of no further force or effect. Your Committee further finds that these sections are repealed by operation of law but are nevertheless considered to be "on the books" because the acts that enacted them were not themselves repealed. Other types of obsolete laws that may continue to be on the books are laws that have been repealed by implication in an appellate court decision.

Your Committee agrees with the intent of this bill, which seeks to reduce the number of obsolete laws. One reason for doing so is that a statute that remains in the printed text of the Hawaii Revised Statutes from year to year but which has been repealed by operation of law or by implication unnecessarily increases the size of the Hawaii Revised Statutes, thereby adding to production costs, as well as wasting the time of researchers who search for and locate statutes that are "dead" on their face, unusable by anyone. Moreover, the retention of such a statute may also create some confusion that the law, while repealed, is still retained "on

the books". Your Committee finds that repealing or amending these sections, as appropriate, assists in the removal of obsolete laws and helps to clarify which laws are of continuing force and effect.

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. 2020 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 212-00 Economic Development and Business Concerns on H.B. No. 2022

The purpose of this bill is to amend various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii pursuant to chapter 23G, Hawaii Revised Statutes, to correct errors, update references, clarify language, and delete obsolete or unnecessary provisions.

Your Committee finds that all of the statutory amendments proposed by the measure are of a purely technical nature and either contain no substantive changes to the law, or, if they have any substantive effect, are done simply to correct the types of errors noted in this report.

Your Committee finds the reasons for the respective technical amendments made in the bill are as follows:

Section 1. L 1999, c 136, § 1, amended §87-27, HRS, to improve the cost-effectiveness of the Hawaii Public Employees Health Fund. Section 87-27 required, effective July 1, 1966, the establishment of a supplemental health benefit plan which takes into account benefits available under the federal Medicare plan. As enacted, however, §87-27 makes reference to the health benefit plan "effective 1996". The "1996" effective date of the health benefit plan is apparently a typographical error.

Section 87-27, HRS, should be amended by deleting the brackets around "1966" to ratify the revisor's replacement of "1996" with "1966" to reflect the correct effective date of the health benefit plan.

Additionally, the phrase "health benefit plan" is changed to "health benefits plan" to conform to how it is defined in §87-1(8).

Section 2. Section 312-3.7, HRS, established the Hawaii state library foundation trust fund as a separate fund of the Hawaii state library foundation. Subsection (f) provided that subsections (a) to (e) relating to the trust fund took effect "upon the creation of a Hawaii state library foundation", and also provided for the repeal of the section on June 30, 1995 if the Hawaii state library foundation was not established by this date.

Because the Hawaii state library foundation was established before June 30, 1995, the language of subsection (f) providing for the effective date of subsections (a) to (e) and for the possible repeal of section 312-3.7 is superfluous.

Section 312-3.7, HRS, should be amended by deleting the unnecessary language of subsection (f) because the Hawaii state library foundation was established by June 30, 1995.

Section 3. Section 348-8(d), HRS, refers to the "state council on mental health and substance abuse". The "state council on mental health and substance abuse" was renamed the "state council on mental health" by L 1993, c 210, §2. The revisor replaced the reference to "state council on mental health and substance abuse" with the "state council on mental health" to conform to amendments made by L 1993, c 210, §2.

Section 348-8(d), HRS, should be amended by deleting the brackets around "state council on mental health" to ratify the revisor's replacement of "state council on mental health and substance abuse" with "state council on mental health".

Section 4. Section 348-9(c)(3), HRS, refers to the "state advisory council on rehabilitation". L 1999, c 154, §1 amended §348-8, HRS, by, inter alia, renaming the "state advisory council on rehabilitation" the "state rehabilitation council". The reference to the "state advisory council on rehabilitation" in §348-9(c)(3), HRS, was changed by the revisor to "state rehabilitation council" to conform to amendments made by L 1999, c 154, §1.

Section 348-9(c), HRS, should be amended by deleting the brackets around "state rehabilitation council" to ratify the revisor's replacement of "state advisory council on rehabilitation" with "state rehabilitation council".

Section 5. L 1999, c 249 made housekeeping amendments to chapters 415 and 415B, HRS, by clarifying and updating statutes governing business registration under the Hawaii Business Corporation and the Hawaii Nonprofit Corporation Act. L 1999, c 249, §28 purported to amend §425D-102, HRS, in its entirety to conform to amendments to chapters 415 and 415B. However, L 1999, c 249, §28, as enacted, amends only subsection (a) of §425D-102, HRS, and inadvertently deletes subsection (b) of §425D-102 because subsection (b) was not set forth in L 1999, c 249, §28.

Section 415D-102, HRS, should be amended to restore subsection (b) which was inadvertently deleted by L 1999, c 249, §28.

Section 6. L 1999, c 246, §2 amended §431:2-203(b), HRS, to increase fines for the violations of the insurance code to \$10,000 per violation. However, in setting forth the amended subsection (b), the words "person has violated any penal provision

of this code or" were omitted from paragraph (2). The omission creates an incomplete paragraph and is apparently the result of a typographical error. The phrase was not set forth in brackets to be deleted from paragraph (2). The revisor restored the phrase "person has violated any penal provision of this code or" to correct the error in paragraph (2).

Section 431:2-203(b), Hawaii Revised Statutes, should be amended to delete the brackets around "person has violated any penal provision of this code or" to ratify the revisor's addition of "person has violated any penal provision of this code or" to paragraph (2).

Section 7. The title of §709-906, HRS, was changed by L 1999, c 18, §18 from "Abuse of family and household members; penalty" to "Abuse of family or household member; penalty" to make the title consistent with the contents of the section. However, no conforming amendment was made to §853-4(13)(P), HRS, which still refers to "Abuse of family and household members."

Section 853-4, HRS, should be amended by replacing the reference to "Abuse of family and household members" with "abuse of family or household members" to conform to amendments to §709-906, HRS, made by L 1999, c 18, §18.

Section 8. L 1999, c 93, §7, extended the sunset date of the joint legislative committee on long term care by amending L 1997, c 339, §4, to change the committee's sunset date from June 30, 1999 to June 30, 2000. The joint legislative committee was established by L 1997, c 339, which provided in §4 that the committee shall "cease to exist on June 30, 1999". However, §18 of Act 93 provided that §7, extending the committee's sunset date, took effect on July 1, 1999, one day after the joint legislative committee ceased to exist. As enacted, L 1999, c 93, §7 cannot extend the sunset date of the joint legislative committee since the extension becomes effective one day after the committee ceases to exist.

L 1999, c 93, §18 should be amended to change the effective date of "sections 7, and 9 to 18" to "June 29, 1999" to carry out the legislative intent to extend the life of the joint legislative committee on long term care through June 30, 2000.

Section 9. L 1999, c 115, §5, amended the title of chapter 662E and section 662E-1, HRS. However, the prefatory language in §5 stated that "Chapter 662E" was amended. This creates some ambiguity as to whether all remaining provisions of the chapter were in fact repealed, although each section in that chapter was also amended separately in sections 6, 7, and 8 of the same Act.

To eliminate any ambiguity, the prefatory language in L 1999, c 115, §5 should be amended to state that it is the "chapter title and section 662E-1", HRS, that is amended to make the prefatory language consistent with the amendments set forth in §5.

Section 10. L 1999, c 122, §2 amended §183D-2, HRS. However, the prefatory language in §2 cites "section 183D-4" as the section being amended. The discrepancy is apparently the result of a typographical error.

The prefatory language of L 1999, c 122, §2 should be amended to state that "Section 183D-2" is being amended.

Section 11. L 1999, c 163, part II, created a special fund to be designated the "insurance regulation fund" to be expended by the insurance commissioner to carry out the commissioner's duties and obligations under title 24. Sections 20 and 21 provided for the repeal of the "insurance examiners revolving fund" and the "motor vehicle insurance administration revolving fund", respectively.

Section 26 of Act 163 states that Part II takes effect on July 1, 1999, and provides that the repeal of the two funds in "sections 21 and 22" shall take effect after unencumbered funds in the "insurance examiners revolving fund" and the "motor vehicle insurance administration revolving fund" are transferred into the new "insurance regulation special fund". Since §20 repeals the "insurance examiners revolving fund" and §21 repeals the "motor vehicle insurance administration revolving fund," the reference to the effective date of "sections 21 and 22" is apparently the result of a typographical error.

Section 26, paragraph (2) of L 1999, c 163, should be amended to change the reference to the sections authorizing the repeal of "the motor vehicle insurance administration revolving fund" and the insurance examiners revolving fund" from "sections 21 and 22" to "sections 20 and 21" to correctly reflect the provisions of Act 163 that authorize the repeal of the two funds.

Section 12. L 1999, c 172, §2 amended chapter 378, HRS, by adding a new section on breastfeeding. However, the prefatory language of §2 stated that "Section 378" was amended by adding a new section.

The prefatory language in L 1999, c 172, §2 should be amended to state that it is "Chapter 378" that is amended.

Section 13. L 1999 c 174 amended §431:19-102, HRS, to allow the insurance commissioner to use administrative rulemaking to set amounts for fees for captive insurance licensing and license renewals, effective January 1, 2001. HSCR 1348 noted that the Department of Commerce and Consumer Affairs requested the effective date of the bill be changed to 2001 because "it can take longer than a year to adopt and implement administrative rules..." The committee report also stated that the effective date of the bill was amended "to 2001 as requested by DCCA". Although §4 of Act 174 states that the Act "shall take effect upon approval", a proviso in §4 specifically provided that the amendments to §431:19-102, HRS, in section 1 "shall not take effect until January 1, 2001." However, Act 174, §2, required the insurance commissioner to adopt rules setting the fees "prior to January 1, 2000", one year before the effective date of the statute authorizing the commissioner to set the fees by rule.

L 1999, c 174, §2 should be amended to change the deadline for rule making from "January 1, 2000" to "January 1, 2001" because administrative rules cannot be adopted before the effective date of the statute they implement.

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. 2022 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 213-00 Higher Education on H.B. No. 2066

The purpose of this bill is to expand the uses and sources of funding of the University of Hawaii facilities use revolving fund.

Specifically, this bill authorizes deposit into the fund of revenues derived from the sale or lease of real property. Furthermore, this bill allows the university to transfer moneys from the fund to other university funds. This measure also renames the fund as the "University of Hawaii real property and facilities use revolving fund".

Your Committee finds that this measure will strengthen and broaden the university's revenue base and further the university's financial independence.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2066 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, Okamura, Santiago and Stegmaier.

SCRep. 214-00 Judiciary and Hawaiian Affairs on H.B. No. 1943

The purpose of this bill is to establish an impact litigation unit in the Department of the Attorney General.

Your Committee finds that an impact litigation unit in the Department of the Attorney General will afford additional resources for the defense of significant impact litigation against 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. 1943 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, Hiraki, Yoshinaga and Thielen.

SCRep. 215-00 Judiciary and Hawaiian Affairs on H.B. No. 2259

The purpose of this bill is to make an appropriation to provide for the necessary funds for Hawaii's contribution to the costs of the National Conference of Commissioners on Uniform State Laws (NCCUSL) for the fiscal year 2000-2001 and for the costs of sending Hawaii's delegation to the NCCUSL 2000 annual meeting.

Testimony in support of this measure was received from the State Commission to Promote Uniform Legislation.

Your Committee finds that the work of the NCCUSL could not be accomplished independently by the State of Hawaii. Consequently, the continued support of and participation in the NCCUSL 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 Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2259 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. 216-00 Judiciary and Hawaiian Affairs on H.B. No. 2648

The purpose of this bill is to:

1. Allow the courts to assess a probation service free upon defendants who are sentenced to probation, deferred acceptance of guilty plea, or deferred no contest plea; and
2. Establish a probation service special fund.

The Judiciary and the Department of the Prosecuting Attorney for the County of Honolulu testified in favor of the measure. The Office of the Public Defender testified against the measure.

Your Committee finds allowing a "user fee" to be imposed upon defendants granted probation and deferral of pleas would help defray the cost of monitoring and supervising such defendants.

Your Committee amended this bill by:

1. Making the imposition of the probation service fee discretionary with the courts; and
2. Making the payment of the probation service fee have priority only over fines.

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. 2648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2648, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 217-00 Economic Development and Business Concerns on H.B. No. 1864

The purpose of this bill is to streamline government operations by automatically repealing outdated administrative rules.

Specifically, this bill automatically repeals, without regard to the notification requirements of the Administrative Procedures Law:

- (1) Upon the effective date of this Act, any administrative rule that has been adopted pursuant to statute or ordinance that has been subsequently repealed; and
- (2) Upon repeal of a statute or ordinance, any administrative rule that has been adopted pursuant to the repealed statute or ordinance.

The Department of the Attorney General, the Building Industry Association of Hawaii, the Hawaii Leeward Planning Conference, the Hawaii Business League, the Land Use Research Foundation of Hawaii, the Construction Industry Legislative Organization, the National Federation of Independent Business, the Hawaii Business Roundtable, the Kona-Kohala Chamber of Commerce, the Big Island Business Council, and an individual testified in support of this measure. The Office of the Lieutenant Governor and the Chamber of Commerce of Hawaii testified in support of the intent of this measure. Testimony in opposition to this measure was received from the Sierra Club, Hawaii Chapter. Comments were submitted by the Housing and Community Development Corporation of Hawaii and the Hawaii Hotel Association.

Your Committee believes that this bill is an important step in reducing the multitude of administrative rules that make it burdensome for businesses to operate in the State. This bill streamlines the state regulatory process by repealing obsolete laws, exempt from the Administrative Procedures Law, in a more timely manner.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1864 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Morihara.

SCRep. 218-00 Economic Development and Business Concerns on H.B. No. 2584

The purpose of this bill is to eliminate unnecessary government regulation by repealing fuel tax reporting requirements regarding:

- (1) The total number of gallons of fuel imported or sold by fuel distributors; and
- (2) The total number of gallons of fuel in the fuel distributors' inventories.

The Department of Taxation (DOTAX) and Tesoro Hawaii testified in support of the measure. The Office of the Lieutenant Governor (Office) and Tax Foundation of Hawaii submitted comments on the measure.

The Office testified that this bill is part of a package of bills being recommended for action by the Office's "Slice Waste and Tape (SWAT) regulatory reform initiative to reduce the burden on businesses and to improve government efficiency.

Your Committee finds that this bill will help simplify DOTAX's reporting requirements and forms, as well as reduce the filing burden for fuel distributors by repealing the submittal of information that is no longer used by DOTAX.

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. 2584 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morihara.

SCRep. 219-00 Economic Development and Business Concerns on H.B. No. 2878

The purpose of this bill is to ensure prompt payment on state projects by contractors to subcontractors by:

- (1) Specifying that subcontractors provide evidence to contractors of a valid union trust fund benefit payment bond, performance/payment bond, any other bond, or another mutually agreeable form of collateral; and
- (2) Imposing penalties on contractors for failing to properly pay amounts owed to subcontractors.

The Construction Industry Legislative Organization, the Pacific Electrical Contractors' Association, the Plumbing and Mechanical Contractors Association of Hawaii, the Subcontractors Association of Hawaii, the General Contractors Association of Hawaii, the Building Industry Association of Hawaii, Hidano Construction, Inc., Hawaii Surety Association, and an individual testified in support of this measure. The Department of Accounting and General Services testified in support of the intent of the measure. Comments were submitted by the State Procurement Office.

Your Committees have amended this bill by:

- (1) Deleting the section repealing Section 103-10.5, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors and for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns 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. 2878, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2878, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Kaho'ohalahala, Rath and Whalen.

SCRep. 220-00 Public Safety and Military Affairs on H.B. No. 2457

The purpose of this bill is to repeal provisions relating to the Veterans Loan Program.

Your Committee received testimony in support of this measure from the Office of Veterans Services.

Your Committee finds that the provisions repealed by this measure have not been in use for a number of years. Further your Committee finds that veterans still have available to them a similar program from the United States Veterans Administration and may also consider purchasing a home under the Hula Mae 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. 2457 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 221-00 Public Safety and Military Affairs on H.B. No. 2243

The purpose of this bill is to appropriate funds for the maintenance of veterans cemeteries in the counties of Hawaii, Kauai, and Maui.

Your Committee received testimony in support of this measure from the Office of Veterans Services, the Hawaii County Council, the County of Hawaii Department of Parks and Recreation, and over thirty members of the Disabled American Veterans, Hilo Chapter.

Your Committee finds that for too long, the counties have assumed the responsibility for burial of Hawaii's veterans without increased funding support for the maintenance and upkeep of the resting spots of our veterans.

Your Committee has amended this measure to specify that the appropriation is to consist of grants to each county and such grants are to be distributed in a lump sum at the beginning of the 2000-2001 fiscal year.

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. 2243, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2243, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 222-00 Public Safety and Military Affairs on H.B. No. 2354

The purpose of this bill is to appropriate funds for the 50th Anniversary Commemoration of the Korean War Commission.

Your Committee received testimony in support of this measure from the Office of Veterans Services, the State Advisory Board on Veterans Services, the Adjutant General, the Chamber of Commerce of Hawaii, the American Ex-Prisoners of War, members of the Korean War Veterans Association, members of the 5th Regimental Combat Team, members of the 50th Anniversary Commemoration of the Korean War Commission, and a retired general from the Republic of Korea.

Your Committee finds that it is imperative that the state provide funds to properly conduct ceremonies and activities to remember and commemorate the Korean War and the price paid by Hawaii's sons and daughters.

Your Committee notes that only Honolulu county and Hawaii county have given any indication of the funding level needed for their activities. Your Committee respectfully requests that your Committee on Finance give favorable consideration to additional appropriations from other counties as they determine the level of their need.

Your Committee has amended this measure by changing the appropriation amount to \$55,000. Your Committee has also amended this measure to direct the Commission to carry out its mission in all counties throughout the state.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2354, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2354, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 223-00 Public Safety and Military Affairs on H.B. No. 2982

The purpose of this bill, as received by your Committee, is to exclude overtime, supplementary pay, and differentials from correction officer's computation for the contribution to the annuity savings fund. The bill, as received, also gives mayors the authority to decide what amounts of wages, overtime, supplementary pay, and differentials employees under section 88-45 are included in the computations to determine police officer contributions to the annuity savings fund.

Your Committee has amended this measure by deleting the language referring to police officers. Your Committee has also inserted new language directing the Department of Public Safety to submit an annual report to the legislature to describe:

- (a) the amount of overtime wages paid to correctional facility staff categorized by facility and by job description;
- (b) the status or outcome of any leave abuse follow-up investigation(s) in progress or completed;
- (c) any changes in department policy regarding leave use and abuse; and
- (d) a description of any changes or trends in the abuse of leave by correctional facility staff since the last report.

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. 2982, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2982, H.D. 1, and be referred to the Committees on Labor and Public Employment and Finance.

Signed by all members of the Committee.

SCRep. 224-00 Public Safety and Military Affairs and Human Services and Housing on H.B. No. 1847

The purpose of this bill is to provide for female parity in corrections.

Your Committees received testimony in support of this measure from the Department of Public Safety, the Hawaii State Commission on the Status of Women, the Sex Abuse Treatment Center, Dr. Meda Chesney-Lind, Malama Family Recovery Center, Government Efficiency Teams, T.J. Mahoney and Associates, the Community Alliance on Prisons, Out of Prison Services, Honolulu Information Service, and several concerned citizens. Your Committees received testimony in support of the intent of this measure from the Hawaii Paroling Authority and the Office of Youth Services.

Your Committees find that this measure will serve to improve and expand the range of services and treatment offered to female offenders. Your Committees also recognize that female offenders have unique needs and therefore the services offered to males

are not always appropriate for females. These female offenders, who often have much different backgrounds, family situations, and offense patterns than male offenders, should receive more effective treatment.

Your Committees have amended this measure to:

- (1) Specify that treatment for females is not only equivalent to treatment for males, but also appropriate to address the wide range of issues facing the female offenders.
- (2) Specify that a comprehensive continuum of care be provided to female offenders.
- (3) Rename the Task Force, now to be known as an Advisory Council.
- (4) Include the Executive Director of the Office of Youth Services on the Advisory Council.
- (5) Direct the Council to recommend programming needs to the Director of the Department of Public Safety.
- (6) Direct the Director to monitor the expenditures of planning grants authorized by the Council.
- (7) Apply the measure to all female offenders, juvenile and adult.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs 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. 1847, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1847, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 225-00 Public Safety and Military Affairs and Judiciary and Hawaiian Affairs on H.B. No. 2292

The purpose of this bill is to authorize payment of mental health counseling, in the case of mass casualty, for deceased victim's relative, witness, or individual engaged in business or educational activities at the scene.

Your Committees received testimony in support of this measure from the Crime Victim Compensation Commission and the Office of the Prosecutor of the City and County of Honolulu. The Department of Health testified in support of the intent of this measure.

Your Committees find that this measure is a useful precaution in light of the chance that another mass casualty event may occur that leaves many individuals traumatized and in need of mental health counseling. With this measure in place, the state will be able to receive federal funds to assist in this regard.

Your Committees have amended this measure to clarify that the treatment to be covered includes services rendered by social workers, psychologists, physicians, and marriage and family therapists. Your Committees have also made a technical amendment to specify the correct name of the federal funding source.

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. 2292, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2292, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 226-00 Public Safety and Military Affairs and Judiciary and Hawaiian Affairs on H.B. No. 2595

The purpose of this bill is to establish a special fund for the purpose of supporting integrated case management and a continuum of substance abuse treatment services for criminal offenders.

Your Committees received testimony in support of this measure from the Department of Public Safety, the Department of Health, the American Civil Liberties Union, the Community Alliance on Prisons, and T.J. Mahoney and Associates. Your Committees received testimony in support of the intent of this measure from the Judiciary, the Department of Taxation, the Office of the Public Defender, and several concerned citizens. Your Committees received testimony in opposition to this measure from the Wine Institute, Volcano Vineyards, and Anheuser Busch Companies. The Office of Youth Services submitted testimony commenting on this measure.

Your Committees find that this measure will aggressively address a critical challenge facing our state. Your Committees found the concerned citizens testifying in support of the intent of this measure especially compelling. These citizens described an effort recently begun to carry out a large-scale, community-based system of wellness centers to provide ho'oponopono to those offenders amenable to rehabilitation. While recognizing the state must observe the procurement code, your Committees strongly urge and respectfully request that, should this measure become law, the Executive branch would continue to look favorably upon

establishing a working relationship with groups sharing the grass-roots support, authenticity, and cultural sensitivity displayed by those that testified before your Committees.

Your Committees have amended this measure to include juvenile offenders among those served by the moneys in the substance abuse and prevention special fund. Further, your Committees have also amended this measure to include the Office of Youth Services within the interagency cooperative agreement.

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. 2595, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2595, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 227-00 Education on H.B. No. 1986

The purpose of this bill is to expand the scope of assault in the second degree to include within the definition of "educational worker" any person who is employed by the Department of Education (DOE) on a contractual basis for a school program, activity, or function that is established, sanctioned, or approved by the DOE.

The DOE testified in support of the measure.

Your Committee believes that this bill will provide the same level of protection for all educational workers in Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1986 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 Stegmaier.

SCRep. 228-00 Education on H.B. No. 2339

The purpose of this bill is to exempt the acquisition of school facilities by leases from the law relating to the management of financing agreements.

The bill also requires the Department of Education to enter into a lease agreement with the Maui Research and Technology Park or the Haleakala Ranch Company, or both, for the acquisition of Kihei charter public high school.

Your Committee finds that innovative ways to address the public education issue are needed, and this is one way that new kinds of educational approaches can be taken by a community that needs a new school. This bill allows this issue and proposed solution to be discussed by interested individuals and groups.

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. 2339 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. 229-00 Education on H.B. No. 2492

The purpose of this bill is to provide greater flexibility to the Department of Education (DOE) in planning and expending funds by allowing the DOE to:

- (1) Retain and carryover up to five percent of the appropriations for the Comprehensive School Support Services Program (CSSSP); and
- (2) Transfer funds from CSSSP School-based Budgeting Program to CSSSP.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2492 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. 230-00 Education on H.B. No. 2046

The purpose of this bill is to appropriate funds to ensure that each public high school has a full-time student activities coordinator hired on a twelve-month basis.

The Hawaii Student Activities Association and many concerned individuals submitted testimony in support of this measure. The Department of Education submitted testimony in support of the intent of this measure. The Hawaii State Teachers Association commented upon this measure. One concerned individual submitted testimony in opposition to this measure.

Your Committee has amended this bill by changing the appropriation to \$1 for purposes of continued 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. 2046, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2046, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 231-00 Education on H.B. No. 2048

The purpose of this measure is to appropriate funds for athletic training equipment and supplies for high schools.

The Hawaii Athletic Trainers Association supported this bill. The Department of Education supported the intent of this bill.

Your Committee finds that high schools need to be adequately supplied and funded for athletic training. Asking high school athletes to practice and compete without basic athletic training supplies available is unfair, and even dangerous. High school athletes should not be afraid that if they are injured, they won't have the necessary supplies to tend to, and rehabilitate those injuries. Athletic training techniques keep injuries from being unnecessarily aggravated and facilitate faster healing, which translates into greater safety and participation for athletes. Therefore, your Committee urges passage of this bill.

Your Committee has amended this bill by:

- (1) Incorporating language that would make athletic programs, including trainers, coaches, equipment and supplies, and transportation of teams standard workload increase items in the planning and budgeting of new schools. This will ensure that the monetary needs of athletic programs, including athletic training, will be accounted for in new schools automatically; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2048, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2048, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 232-00 Education on H.B. No. 2051

The purpose of this bill is to continue funding for the Student Crimestoppers Program (Program), which was approved by the Honolulu Crimestoppers Board of Directors as a pilot program in March 1997. The Program was established to aid law enforcement in reducing the crime rate in schools, on school grounds, and in the neighboring communities.

Your Committee received testimony in favor of this measure from the Honolulu Police Department, the District Superintendent for Central Oahu School District, and many concerned individuals. Testimony supporting the intent of this bill was received from the Department of Education.

Your Committee finds that continued funding of the Program is a necessary action for the Legislature to take to maintain a safe and secure environment in public schools across the State.

Your Committee has amended this bill by:

- (1) Inserting the sum of \$1 for the appropriation for the purpose of continued discussion; and
- (2) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2051, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2051, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 233-00 Education on H.B. No. 2282

The purpose of this bill is by reducing the student-teacher ratio in kindergarten through fourth grade to twenty students to one teacher over a period of three years to enhance learning opportunities.

The Hawaii State Teachers Association submitted testimony in support of this bill. The Department of Education submitted testimony in support of the intent of this bill.

Your Committee finds that the reduction of class size has been demonstrated to be a considerable educational benefit because it provides students with individualized attention to improve learning.

Your Committee has amended this bill by changing the appropriation amount to \$1 for the purpose of continued 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. 2282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2282, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 234-00 Education on H.B. No. 2493

The purpose of this bill is to require the Superintendent of Education, rather than the Auditor, to determine the appropriate allocation of state general funds to new century charter schools based upon the operational and educational funding requirements of the schools, beginning in fiscal year 2000-2001.

Your Committee received testimony in support of this bill from the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that this bill is necessary in order to prevent the budget shortfall that would occur based upon the current method of public charter school allocation being developed by the Auditor. The law currently requires the allocation of state general funds to new century charter schools to be based upon the operational and educational funding requirements of the schools, without regard to fiscal constraints. Since other public schools are not funded on the basis of their operational and educational funding requirements because of fiscal constraints, the law essentially requires new century charter schools to be funded at the expense of these other schools. To prevent this gross inequity, the Legislature could:

- (1) Fund all public schools, including new century charter schools, on the basis of their operational and educational funding requirements; or
- (2) Allow the Superintendent of Education to determine the appropriate allocation of state general funds to new century charter schools.

Your Committee has amended this bill by:

- (1) Clarifying that the stated purpose of this bill is to require the Superintendent of Education, rather than the Auditor, to determine the appropriate allocation of state general funds to new century charter schools based upon the operational and educational funding requirements of the schools, beginning in fiscal year 2000-2001; and
- (2) Making a technical nonsubstantive change for purposes of style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2493, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 235-00 Education on H.B. No. 2822

The purpose of this bill is to ensure that future school administrators are properly trained through the School Administrator Program.

The Hawaii Government Employees Association and the Department of Education submitted testimony in support of this bill.

Your Committee finds that the educational officers workforce will be faced with a severe shortage because approximately five hundred educational officers are expected to retire by 2005. Therefore, it is critical that teacher candidates be trained to become certified educational officers to replace those that will be leaving the educational officer ranks.

Your Committee has amended this bill by changing the appropriation amount to \$1 for the purpose of continued discussion. Technical, nonsubstantive amendments have also been made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2822, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2822, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 236-00 Higher Education on H.B. No. 2374

The purpose of this bill is to appropriate funds to the University of Hawaii Community Colleges System.

In particular, this bill appropriates funds for the establishment and operation of the Pacific Center for Advanced Technology Training in the University of Hawaii Community Colleges System and for the continuing development and implementation of a Pacific aerospace training center at Honolulu Community College.

Your Committee received testimony in favor of this measure from the University of Hawaii and the Hawaii Association of Realtors.

Your Committee finds that workforce development is a critical aspect of economic development, and that a technically skilled workforce is a strong incentive in attracting new businesses to Hawaii. Your Committee further finds that there is an immediate need to create an environment that facilitates the design and delivery of training that is customized to the needs of employers. Your Committee finds that this bill makes a clear statement that the State is committed to design and deliver state-of-the-art training to support the development of high technology jobs in 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. 2374 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, Okamura and Santiago.

SCRep. 237-00 Higher Education on H.B. No. 2963

The purpose of this bill is to authorize the University of Hawaii, West Oahu, to establish one permanent full-time equivalent teaching position during fiscal year 2000-2001 in the drug and substance abuse counseling certificate program and to appropriate \$50,000 for fiscal year 2000-2001 to fund that position. Continued funding of this position is to be through the University of Hawaii, West Oahu.

Your Committee received testimony supporting this bill from the University of Hawaii, West Oahu, the Community Alliance on Prisons, and one individual legislator.

Your Committee believes that this bill will address community health needs by providing college coursework that meets Department of Health education requirements for certification of students as substance abuse counselors.

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. 2963 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, Okamura and Santiago.

SCRep. 238-00 Higher Education on H.B. No. 2899

The purpose of this bill is to appropriate funds for the development of a strategic action plan for a new campus at the University of Hawaii at West Oahu.

Your Committee finds that in 1997, the Legislature appropriated \$1,000,000 for the initial planning of the proposed campus. On January 21, 2000, the Board of Regents approved the plan. The Board of Regents, however, is now unable to provide continued funding for this project because of their 1996 resolution that prohibits such action.

This bill would appropriate funds for the next phase of planning for the campus that includes the continuation of the master plan phase, securing necessary entitlements, preparation of the project development report, and project development report projects.

Your Committee received testimony from the Chancellor of the University of Hawaii at West Oahu and a concerned citizen.

Your Committee has amended the bill to:

- (1) Clarify that the funds appropriated are "for the project development phase of planning at the University of Hawaii at West Oahu"; and
- (2) Change the amount appropriated to \$596,085.

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. 2899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2899, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 239-00 Human Services and Housing on H.B. No. 1853

The purpose of this bill is to provide an income tax credit for contributions made to a qualifying domestic violence program.

The Hawaii State Coalition Against Domestic Violence, Domestic Violence Clearinghouse and Legal Hotline, and Child & Family Service testified in support of this bill. The Tax Foundation of Hawaii offered comments on this bill. The Department of Taxation supports the intent of this bill, but questioned the propriety of using the tax system to assist these programs.

Under this bill, qualified individuals or corporations may claim a percentage of donations made as a credit against income tax due in the year the return is filed.

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. 1853 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.

SCRep. 240-00 Human Services and Housing and Health on H.B. No. 2966

The purpose of this bill is to ensure access to primary and preventive health care to all of Hawaii's residents by appropriating funds to the Departments of Health (DOH) and Human Services (DHS) to support primary health care for medically underserved populations.

The Hawaii State Primary Care Association, Ke Ola Mamo Native Hawaiian Health Care System, the Waikiki Health Center, the Hana Community Health Center, and the Waianae Coast Comprehensive Health Center testified in support of this measure. DOH and DHS testified in support of the intent of this measure, provided that its passage does not replace or adversely impact priorities as indicated in the Executive Supplemental Budget Request.

Your Committees find that the number of uninsured patients served by health centers increased by 74 percent between 1997 and 1999, and currently 41 percent of all community health center patients are uninsured. This measure will ensure the viability of community health centers to provide health care for uninsured individuals and their families.

Your Committees have amended this measure by:

- (1) Deleting the appropriation to DOH to support primary health care for children in medically underserved populations, since this provision is duplicative of another measure that passed out of your Committee on Health; 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 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. 2966, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2966, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kawakami and Lee.

SCRep. 241-00 Transportation on H.B. No. 2212

The purpose of this bill is to allocate a portion of the Public Service Company(PSC) taxes collected from American Hawaii Cruises over a nine-year period to be directed to repairing harbors on the islands of Kauai, Oahu, Maui, and Hawaii, as identified by the Leo A. Daly Statewide Passenger Cruise Facility Study(Daly Study).

Your Committee finds that many of the harbors in the state of Hawaii suffer from disrepair. Your Committee also finds that the cruise industry is a burgeoning source of income for Hawaii's tourism industry.

Testimonies in support of this bill were received from the Department of Transportation, Hawaii Tourism Authority, the Mayor of the County of Hawaii, the Mayor of the County of Maui, the Maui County Council, the Big Island Visitors Bureau, Matson Navigation Company, American Hawaii Cruises, Hawaii Boaters Political Action Association, Pacific Diving Industries, Inc., Seafarers International Union, Maui Divers of Hawaii, Kona-Kohala Chamber of Commerce, Kona Historical Society, Daughters of Hawaii, Big Island Business Council, Hawaii Attractions Association, Visitor Industry Coalition, Kahua Na'au A'o ma Pu'u honua o Honaunau NHP, Inc., Young Brothers, Ltd., Hawaii State Association of Counties, Charley's Taxi, Retail Merchants of Hawaii, Hawaii Island Economic Development Board, CSX Lines, the Chamber of Commerce of Hawaii, and a concerned citizen. Testimony in opposition to this bill was received from the Department of Budget and Finance.

Your Committee has amended this bill by:

- (1) Changing the PSC tax allocation so that:
 - (A) The first \$3,000,000 in tax revenues from the gross income of contract carriers received from passenger ticket revenue from domestic interisland cruises in service in Hawaii will be deposited into the general fund; and
 - (B) All revenues in excess of \$3,000,000 will be deposited into the Harbor Special Fund for making improvements and additions to passenger cruise facilities as identified in the Daly Study, or for reimbursing the Harbor Special Fund for such expenditures, until the necessary improvements are made or deposits reach \$97,200,000, whichever is lesser;
- (2) Deleting the requirement that the Director of Taxation require forms and information to administer the allocation of PSC tax;
- (3) Specifying that moneys received from passenger head tax assessments and other passenger vessel contributions to the Harbor Special Fund may be used for financing cruise ship facilities as identified in the Daly Study;
- (4) Changing the effective date to July 1, 2025; and
- (5) Making technical, nonsubstantive amendments for 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. 2212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2212, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 242-00 Water and Land Use on H.B. No. 2379

The purpose of this bill is to redefine "land" to exclude land which is open to the public for commercial purposes.

Testimony in support of this bill was received from Bob Toyofuku on behalf of the Consumer Lawyers of Hawaii.

No testimony in opposition to the bill was received.

Your committee finds that "land" does not include land open to the public for commercial purposes.

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. 2379 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. 243-00 Water and Land Use on H.B. No. 2762

The purpose of this bill is to clarify the current law to make records of the department of land and natural resources confidential if deemed sensitive by an island burial council or the Hawaii historic places review board.

Testimony was received in support of the bill from the Department of Land and Natural Resources (DLNR), the Office of Hawaiian Affairs (OHA), and one private citizen.

No testimony in opposition was received.

Your Committee finds that the confidentiality of description and location information, especially for burial and other cultural sites, is a highly sensitive issue within the Hawaiian community. The final resting-place of the ancestors of Native Hawaiians have always been sacred and hidden. The specific site and description of the family burial sites were kept within the family, often with specific individuals who had been given the specific "kuleana" for insuring care in perpetuity. Changes within Hawaii's socio-

economic and political structures brought about through colonization and annexation have prevented families from carrying out their responsibilities to their ancestors. Such changes have allowed accessibility to these sacred burial sites, resulting in their disturbance, desecration, and looting. Descriptions and sketches of specific burial locations that are available to the public have provided information that enabled desecration and looting.

This bill would make burial locations confidential.

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. 2762 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. 244-00 Water and Land Use on H.B. No. 2893

The purpose of this bill is to make an appropriation to partly fund the continued operation and maintenance of streamflow and crest-stage gaging stations with the United States Geological Survey, to provide data for hydraulic and hydrologic flood analyses.

The American Society of Civil Engineers testified in support of this bill. The Department of Land and Natural Resources (DLNR) was unable to support the bill because it would reduce current priorities as indicated in the Executive Supplemental Budget.

Your Committee finds that the Honolulu forecast office of the National Weather Service uses the historical record from water crest-stage gages, in conjunction with other data sources (e.g., continuous record gages, rain gages, etc.), to help determine rainfall-runoff relationships for flood prone streams.

Part of the modernization and improvement of the National Weather Service's hydrology program is the use of Doppler radar data processed through the Areal Mean Basin Estimated Rainfall (AMBER) program. This program allows forecasters to view basin specific rainfall updated every five to six minutes and provides the rainfall component of a stream-specific rainfall-to-runoff relationship. When used with the proper flash flood threshold, the AMBER program provides an extremely powerful tool to help forecasters provide flash flood warnings to the public. Without updated peak flow records for calibration, the accuracy of the flash flood thresholds will slowly degrade over time. Furthermore, elimination of data from the forty-seven crest-stage gages supported by DLNR will have a negative impact on forecasters' ability to provide accurate flash flood warnings and to conduct post-flood analyses.

The appropriation will partly fund the continued operation and maintenance of streamflow and crest-stage gaging stations.

Your Committee has amended this bill by reducing the appropriation to \$1 for the purpose of continued discussion.

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. 2893, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2893, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 245-00 Health on H.B. No. 2825

The purpose of this bill is to prevent child abuse and neglect by appropriating \$5,700,000 to fund the Healthy Start Program (Program).

Child and Family Service, the Hawaii Chapter of the American Academy of Pediatrics, the Hawaii Family Support Center, KCAA Pre-Schools of Hawaii, Maui Family Support Services, the Healthy Start Koolau Loa Program, the Kauai Good Beginnings Community Council, the Hawaii Catholic Conference, Parents and Children Together, the Good Beginnings Alliance, and an individual testified in support of this measure. The Department of Health testified in support of this measure, only if it does not replace or adversely impact priorities as indicated in the Executive Supplemental Budget Request. The Department of Education testified in support of the intent of this measure.

Your Committee finds that the Program has been instrumental in reducing the number of child abuse and neglect cases by providing intensive support to families from the onset. This measure will ensure the safety of infants and toddlers at-risk, and reduce the social problems which result from early trauma and neglect.

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. 2825 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. 246-00 Health on H.B. No. 2810

The purpose of this bill is to expand school-based health services by appropriating funds to hire thirty full-time registered nurses to provide nursing services to each of Hawaii's twenty-nine school complexes, and one unassigned nurse to provide coverage when others are sick or on vacation.

The Hawaii Nurses' Association and two individuals testified in support of this measure. The Departments of Health (DOH) and Education (DOE) supported the intent of the measure to the extent it did not affect their current budgetary priorities. The Hawaii Government Employees Association testified in support of the intent of this measure.

Your Committee finds that there are currently twenty-four vacant Public Health Nursing positions, which is inadequate to provide comprehensive and coordinated health services in Hawaii's public schools. Your Committee believes that it is necessary to fill these vacant positions to ensure quality health services for students.

Your Committee has amended this measure by:

- (1) Designating DOH, instead of DOE, as the expending agency; 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. 2810, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2810, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kahikina.

SCRep. 247-00 Agriculture on H.B. No. 2745

The purpose of this bill is to exempt from quarantine, with qualifying conditions, service animals owned by persons with disabilities.

Your Committee finds that the State has the responsibility to meet the needs of its resident disability community, including visitors with disabilities who use service animals to maintain independent living. Your Committee further finds that the risk of spreading rabies from service animals, particularly dogs, is virtually nonexistent due to high level of care. Service animals undergo prolonged periods of training, are under constant strict controls and surveillance during training, have well documented health records, receive regularly scheduled vaccinations for prolonged periods, have no history of rabies exposure, and are positively identifiable by tattoo or implanted micro chip.

Testimonies in support of this bill were received from the Hawaii Centers for Independent Living, the Hawaiian Humane Society, the Disability and Communication Access Board, the Hawaii Services on Deafness, and, Ms Susan Luehrs, Special Education Instructor, Kahuku High and Intermediate School, State Department of Education.

The Board of Agriculture testified in opposition to this bill since the Department amended the Administrative Rules to allow certified guide dogs to enter the state without quarantine provided specific pre-arrival and post-arrival requirements were met. The department is proceeding with rule changes that include service, hearing, and seizure/responder dogs as additional categories of assistance dogs under the rules.

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. 2745 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 Herkes, Morihara and Halford.

SCRep. 248-00 Agriculture on H.B. No. 2406

The purpose of this bill is to amend Chapter 141, HRS, to allow the Department of Agriculture (DOA) to enter into a cooperative agreement with any authorized federal agency, to act on the DOA's behalf, to limited extent, and enforce statutes and administrative rules regarding the movement of restricted items into the State or within the State.

This bill authorizes the DOA, pursuant to cooperative agreement, to designate employees of an authorized Federal agency to enforce State laws governing the movement into the State and/or intrastate of regulated items. Also, the bill includes housekeeping change with reference to chapter 150A among other chapters relating to the department of agriculture's duties under section 141-1.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2406 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morihara.

SCRep. 249-00 Agriculture on H.B. No. 2996

The purpose of this bill is to expand the Agricultural Loan Program (Program) by:

- (1) Providing agricultural loans to qualified part-time farmers; and
- (2) Reducing state residency requirements for permanent resident aliens seeking financing under the State's Program.

The Department of Agriculture (DOA) testified in support of the intent of the measure.

Your Committee has amended this bill by:

- (1) Enabling food manufacturers located in the State who use Hawaii-grown agricultural products to obtain loans under the Program; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2996, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2996, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Ito, Halford and Rath.

SCRep. 250-00 Economic Development and Business Concerns on H.B. No. 2581

The purpose of this bill is to expedite the streamlining of Hawaii state government and increase government efficiency by repealing administrative rules that are unnecessary through legislative action.

Specifically, this bill:

- (1) Repeals outright one or more specific sections, subchapters, or chapters of the Hawaii Administrative Rules; and
- (2) Stipulates that agencies whose administrative rules have been repealed under this bill need not comply with the requirements for the repeal of rules of the Hawaii Administrative Procedure Act.

The Office of the Lieutenant Governor (Office), the Department of Budget and Finance, the Department of Accounting and General Services, the Land Use Research Foundation of Hawaii, the National Federation of Independent Business, the Small Business Regulatory Review Board, and an individual testified in support of the measure. The Hawaii Island Economic Development Board, the Estate of James Campbell, and the Chamber of Commerce of Hawaii testified in support of the intent of this measure. The Department of Land and Natural Resources submitted comments on this measure.

The Office testified that this bill is part of a package of bills being recommended for action by the Office's "Slice Waste and Tape" (SWAT) reform initiative to reduce the regulatory burdens on businesses and to improve government efficiency.

Your Committee notes that currently, to repeal any administrative rule--even those rules that are unnecessary--departments and agencies are required to go through the same process as that for adopting or amending rules pursuant to the Hawaii Administrative Procedure Act. This bill will allow departments and agencies to repeal rules that are unnecessary without having to expend limited resources by going through the rulemaking process under the Hawaii Administrative Procedure Act.

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. 2581 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Morihara.

SCRep. 251-00 Economic Development and Business Concerns on H.B. No. 2582

The purpose of this bill is to streamline government and increase government efficiency by expediting the process for the repeal of administrative rules that are either obsolete or unauthorized.

Specifically, this bill specifies that where a department or agency seeks only to repeal null and void or unnecessary administrative rules, the department or agency need only to:

- (1) Give thirty days' public notice at least once statewide of the proposed date of appeal that include:

- (a) A list of those sections, subchapters, and chapters that are being repealed; and
 - (b) A statement of when, where, and the time the rules that are proposed to be repealed may be reviewed in person;
- and
- (2) Post the full text of the proposed rules to be repealed on the Internet.

This bill also specifies that departments and agencies that propose to adopt, amend, or compile administrative rules, whether separately or in combination with the repeal of rules, must continue to comply with the existing requirements of the Hawaii Administrative Procedure Act.

The Office of the Lieutenant Governor (Office), the Department of Accounting and General Services, the Land Use Research Foundation of Hawaii, the Small Business Regulatory Review Board, and an individual testified in support of this measure. The Estate of James Campbell, the Hawaii Island Economic Development Board, and the Chamber of Commerce of Hawaii testified in support of the intent of the measure.

The Office testified that this bill is part of a package of bills being recommended for action by the Office's "Slice Waste and Tape" (SWAT) reform initiative to reduce the regulatory burdens on businesses and to improve government efficiency.

Your Committee believes that the expedited repeal process under this bill will help eliminate the potential confusion that is caused by keeping so many null and void and unnecessary rules on the books.

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. 2582 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Morihara.

SCRep. 252-00 Economic Development and Business Concerns on H.B. No. 2587

The purpose of this bill is to expedite the streamlining of Hawaii state government and increase government efficiency by repealing administrative rules that are null and void through legislative action.

Specifically, this bill:

- (1) Repeals outright one or more specific sections, subchapters, or chapters of the Hawaii Administrative Rules; and
- (2) Stipulates that agencies whose administrative rules have been repealed under this bill need not comply with the requirements for the repeal of rules of the Hawaii Administrative Procedure Act.

The Office of the Lieutenant Governor (Office), the Department of Accounting and General Services, the Department of Land and Natural Resources, the Land Use Research Foundation of Hawaii, the Small Business Regulatory Review Board, and an individual testified in support of this measure. The Estate of James Campbell testified in support of the intent of this measure.

The Office testified that this bill is part of a package of bills being recommended for action by the Office's "Slice Waste and Tape" (SWAT) reform initiative to reduce the regulatory burdens on businesses and to improve government efficiency.

Your Committee notes that currently, to repeal any administrative rule--even those rules that are null and void--departments and agencies are required to go through the same process as that for adopting or amending rules pursuant to the Hawaii Administrative Procedure Act. This bill will allow departments and agencies to repeal rules that are null and void without having to expend limited resources by going through the rulemaking process under the Hawaii Administrative Procedure Act.

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. 2587 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Morihara.

SCRep. 253-00 Higher Education on H.B. No. 2275

The purpose of this bill is to expand the programs offered by the College of Hawaiian Language (College) at the University of Hawaii at Hilo, by:

- (1) Providing graduate education through the doctorate level; and
- (2) Incorporating programs for other indigenous people at both undergraduate and graduate levels at the College.

Testimony in support of this bill was submitted by concerned individuals. The University of Hawaii (UH) submitted testimony in opposition to this bill.

UH submitted testimony that it was unable to support this bill as a result of its current policy, University of Hawaii Board of Regents (BOR) guidelines, and internal procedures of the University of Hawaii at Hilo (UHH). Currently, the UHH has not applied for and the BOR has not authorized UHH to offer degrees beyond the Master's level.

Your Committee is encouraged by the quality of work engaged in by the College, and urges the College to continue to provide academic and support services based on the needs of the Hawaiian community.

Therefore, your Committee has amended this bill by:

- (1) Removing the requirement that the College provide graduate education through the doctorate level;
- (2) Removing the requirement that the College incorporate programs for other indigenous people at both the undergraduate and graduate levels;
- (3) Appropriating funds for the development and expansion of programs within the Hawaiian Language College;
- (4) Allowing the College to develop and incorporate programs for other indigenous people; and
- (5) Amending current law which restricts the College from receiving general fund appropriations.

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. 2275, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2275, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 254-00 Economic Development and Business Concerns on H.B. No. 2955

The purpose of this bill is to support the growth and development of technology in Hawaii by providing an income tax credit for the cost of training the taxpayer or taxpayer's employees to upgrade their technology-related skills.

The Hawaii Technology Trade Association testified in support of this measure. The Governor's Special Advisor on Technology Development, the Department of Taxation, and the High Technology Development Corporation testified in support of the intent of this measure. The Tax Foundation of Hawaii submitted comments.

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. 2955 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Rath.

SCRep. 255-00 Culture and the Arts on H.B. No. 2026

The purpose of this bill is to establish a culture and the arts special fund. Collected revenues from certain art related taxes will be deposited in the special fund for use by the State Foundation on Culture and the Arts (SFCA).

The SFCA and the Honolulu Theatre for Youth testified in support of this bill.

Your committee finds that due to the State's poor economy, the SFCA's grants budget has sustained cuts of nearly seventy-five percent since fiscal year 1995. The State's reduced support of the SFCA has resulted in elimination and hardship for many long-standing culture and arts programs.

Your committee also finds that the culture and the arts have proven to be of great social benefit to the people of Hawaii, as well as significant elements of the economic health of the State.

The SFCA supports a system of non-profit culture and art organizations that have allowed for a blossoming of artistic and cultural endeavors throughout the state.

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. 2026 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. 256-00 Culture and the Arts on H.B. No. 2262

The purpose of this bill is to support the celebration of the centennial anniversary of the arrival of the Korean people to Hawaii by establishing a temporary commission (Commission) to arrange and promote related activities.

Testimony in support of this bill was received by the Office of the Governor, the Consulate General of the Republic of Korea, the State Foundation on Culture and the Arts, KBFD-TV, the Korean American Coalition Hawaii Chapter, the 2003 Centennial Committee of Korean Immigration to the United States, and a concerned individual.

Your Committee finds that Hawaii is a multicultural society that is proud of its diverse ethnic heritage. Koreans have played a significant role in Hawaii's history and a centennial celebration will recognize the contributions of Koreans socially, culturally, and economically to the State. Various Korean organizations are also committed to celebrating the centennial arrival of Koreans to Hawaii because it also marks the arrival of the first Koreans to America.

Your Committee has amended this bill by:

- (1) Providing that the Commission and the various program activities sponsored by the Commission shall be protected from civil liability;
- (2) Allowing an individual appointed to another commission the opportunity to serve on the Commission;
- (3) Deleting any reference to the Korean Ethnic Celebration Trust Fund;
- (4) Requiring the Commission to identify a nonprofit organization that will be responsible for any moneys received or expended for the centennial celebration;
- (5) Requiring that any grants or subsidies appropriated by the Legislature be exempt from Chapter 42F, Hawaii Revised Statutes; 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 Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2262, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2262, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

SCRep. 257-00 Culture and the Arts on H.B. No. 2408

The purpose of this bill is to provide funds for the performing arts and associated administrative expenses from the works of art special fund.

The Musicians Association of Hawaii and the Department of Accounting and General Services supported this bill. The State Foundation on Culture and the Arts supported the intent of this bill. The Hawaii Consortium for the Arts and the Honolulu Theatre for Youth commented on this bill.

Your Committee finds that due to the State's poor economy, the State Foundation on Culture and the Arts' (SFCA) general fund appropriations have been reduced by nearly seventy-five percent since fiscal year 1995-1996. The State's decreasing support of the SFCA has resulted in economic hardship, and in some cases, the elimination of long-standing culture and the arts programs. This bill will help supplement the SFCA's efforts to support the performing arts.

Your Committee has amended this bill by:

- (1) Removing administrative expenses associated with the performing arts from the scope of the bill;
- (2) Requiring the recipient of a grant awarded by the SFCA's commissioners to electronically capture the funded performance for future viewing and posterity; and
- (3) Making technical, nonsubstantive changes 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. 2408, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2408, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

SCRep. 258-00 Consumer Protection and Commerce on H.B. No. 2459

The purpose of this measure is to repeal the Hawaii Telecommunications and Information Industries Act, chapter 206P, Hawaii Revised Statutes, because the organization established by that Act has been abolished.

The purpose of the Hawaii Information Network Corporation, also known as HAWAII INC., was to encourage the development and growth of the information industry in Hawaii in accordance with sound business principals and practices. Effective July 1, 1995, the organization was not funded and has ceased operations. There are no plans to re-establish HAWAII INC.

Testimony in support of this measure was submitted by the Department of Budget and Finance.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that are attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2459 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, Hiraki, Kaho'ohalahala, Yoshinaga and Halford.

SCRep. 259-00 Consumer Protection and Commerce on H.B. No. 2466

The purpose of this measure is to amend the escrow depository law to:

- (1) Authorize the Commissioner of Financial Institutions (Commissioner) to protect the confidentiality of certain commercial, financial, personal, and other information in escrow depository company applications and records, heretofore protected only by agency rule;
- (2) Replace agency rules for the voluntary termination of escrow depository operations, with revised, standardized procedures consistent with those applicable to other financial institutions regulated by the Division of Financial Institutions (Division);
- (3) Give the Commissioner authority to:
 - (A) Waive fees for good cause; and
 - (B) Set fees by rule, for:
 - (i) The establishment or relocation of an escrow depository branch;
 - (ii) The voluntary termination of escrow depository operations; and
 - (iii) The search, review, or segregation of Division records in response to a request.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

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 Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2466, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Hiraki, Morita, Takumi, Yoshinaga, Halford and Thielen.

SCRep. 260-00 Consumer Protection and Commerce on H.B. No. 2751

The purpose of this bill is to implement a recommendation of the Motor Vehicle Insurance Benefits Task Force (Task Force) created by Act 251 in 1997, by establishing a data base of insured vehicles identified by vehicle identification numbers, that insurers would be required to update within 48 hours of the issuance, cancellation, non-renewal, or lapse of a motor vehicle insurance policy.

Your Committee received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs (DCCA), who chaired the Task Force, and from the Honolulu Police Department (HPD). Testimony in opposition to this measure was received from State Farm Insurance Companies (State Farm) and the Hawaii Insurers Council (HIC). An individual submitted comments.

DCCA testified that although the Task Force consulted with the City & County of Honolulu's Motor Vehicle Branch (MVB), which found the bill's proposed data base feasible, motor vehicle divisions of the other counties would also need to be consulted. DCCA testified that the data base would reside alongside that of the MVB, and that a service provider would maintain

communication lines allowing data base updating by insurers, with costs depending upon the frequency of updates. HPD testified that the bill was a start in the right direction, and would allow HPD to resolve the long-standing problem of verifying motor vehicle insurance coverage.

State Farm questioned whether the benefits of identifying uninsured motorists would counterbalance the costs of identification, which would be passed onto insured motorists.

HIC testified, among other things, that the 48-hour insurer reporting time would in some cases cause problems for insured drivers, by providing erroneous information regarding their insured status because of delays in database information reporting and processing.

Your Committee recognizes the concerns and issues raised by the testifiers. However, your Committee believes that this bill merits further consideration and should be kept alive for further discussion.

Your Committee has amended this measure by:

- (1) Replacing its effective date with a blank; and
- (2) Making technical, nonsubstantive amendments for the purpose 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. 2751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2751, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Herkes, Morita, Yoshinaga, Halford and Thielen.

SCRep. 261-00 Consumer Protection and Commerce on H.B. No. 3009

The purpose of this bill is to provide for improved, cost-effective administration of current and future public employee benefit obligations, by transferring administration of these obligations from the Hawaii Public Employees Health Fund (HPEHF), to a newly established captive insurance company to be known as the Hawaii Insurance Exchange (Exchange).

Your Committee received testimony commenting on this measure from the Department of Commerce and Consumer Affairs, Department of Budget and Finance, HPEHF, Hawaii State Teachers Association, and the Office of Information Practices (OIP). The OIP suggested an amendment.

Your Committee finds that under this measure, surplus contributions of approximately \$86,000,000 currently held by various health insurers, and \$13,000,000 held by HPEHF, would be transferred to, and be controlled by the Exchange. Under the bill, the Exchange is organized as a reciprocal insurer subject to regulation under the insurance laws. The Exchange is governed by a subscribers' committee composed of representatives of public employers and employee organizations. Day-to-day management of the exchange would be delegated to a professional entity given power of attorney by subscribers.

Your Committee finds that this measure, in part, addresses concerns noted in the Auditor's 1999 report, "Financial Audit of the Hawaii Public Employees Health Fund," regarding financial accounting and internal control deficiencies of the HPEHF. At the same time, the bill addresses an estimated accrued state and county liability of \$4,500,000,000 in future retiree health benefits.

Your Committee finds that under this bill, the Exchange, unlike the HPEHF, is a distinct legal entity that allows the State and counties direct control over reserves as well as the approximately \$384,000,000 in premiums that are currently held by or paid to third party health plans and insurers. The interests of insureds and potential claimants in these funds would be given protection by the financial reporting, investment, loss reserving, and other requirements of the insurance regulatory laws.

As an insurance entity, the Exchange would also have the flexibility to negotiate and contract with specialists to provide claims administration services, benefit plan administration, accounting and financial reporting services, captive insurance management, and reinsurance administration. Further, the Exchange could negotiate rates directly with health care providers. Your Committee heard testimony that this flexibility would give the State and counties the ability to operate in a professional and effective manner in today's changing economic environment.

Your Committee finds that bills similar to H.B. No. 3009, also designed to address concerns with the HPEHF identified by the Auditor, are making their way through the Legislature. Your Committee believes that a necessary first step toward resolution of these concerns is further discussion and consideration of the merits of all of these bills.

Your Committee has made amendments to this bill to provide more clarity regarding the membership of the Subscribers' Committee. As amended, members of the Subscribers' Committee will be appointed as follows:

- (1) The mayor of the counties of Honolulu, Hawaii, Maui, and Kauai shall each appoint one person to sit on the Subscribers' Committee;

- (2) The five unions having the largest amounts of funds ported from the HPEHF to the union, shall each appoint one person to sit on the newly formed Subscribers' Committee; and
- (3) The governor shall appoint one person from among the public employee organization subscribers not represented on the Subscribers' Committee.

Your Committee has also made numerous technical, nonsubstantive amendments for purposes of clarity, consistency, and style, and to allow reasonable implementation of the law, including amendments allowing contributions and premium payments to be made by employee-beneficiaries and subscribers on a monthly or bimonthly basis.

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. 3009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3009, H.D. 1, and be referred to the Committees on Labor and Public Employment and Finance.

Signed by all members of the Committee except Representatives Chang, Hiraki, Morita, Takumi, Yoshinaga, Halford and Thielen.

SCRep. 262-00 Legislative Management on H.B. No. 2194

The purpose of this bill is to further enhance public access to the Legislature by:

- (1) Appropriating funds for a legislative media streaming pilot project to allow public access via the Internet;
- (2) Appropriating funds to convert an existing part-time position in the Public Access Room (PAR) to a full-time staff position;
- (3) Appropriating funds to establish a pilot program to provide childcare so that the parents of young children can participate in the legislative process; and
- (4) Transferring responsibility for the sale and distribution of statutory revision material from the Lieutenant Governor to the Legislature.

Akaku: Maui Community Television, Common Cause Hawaii, the League of Women Voters of Hawaii, the Hawaii State Chapter of the National Rainbow Coalition, and several concerned individuals submitted testimony in support of this measure. The Legislative Reference Bureau (LRB) limited its comments to the transfer of sales and distribution functions of statutory-related materials to the Legislature and LRB.

LRB stated that it would be unable to comply with this bill as written because of inadequate funding, resources, and storage space at the State Capitol. LRB estimated that the annual operating cost of the sale and distribution functions would be between \$70,000 to \$100,000. In addition, LRB would require a minimum storage space of at least 2,500 square feet to store the publications.

Your Committee believes that the effective date of July 1, 2001, for part III of this bill, transferring the responsibility from the Lieutenant Governor's Office to the LRB for the sale of HRS volumes and supplements would allow for the resolution of serious concerns regarding additional staffing, storage space, and specialized equipment, such as forklifts. These resources are available in the Lieutenant Governor/Elections Office, but apparently none can be transferred. Your Committee supports a "one-stop shop" arrangement for all legislative material but cannot commit to a July 1, 2000, date unless the cost factors are satisfactorily resolved.

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

- (1) Removing the provision converting the part-time position in the PAR to a full-time position since your Committee passed another bill, H.B. No. 2193, this session that converts the part-time position in the PAR to a full-time position;
- (2) Changing the effective date so that the portion affecting the transfer of responsibility for the sale and distribution of statutory revision material from the Lieutenant Governor to the Legislature will take effect on July 1, 2001; and
- (3) Making other technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2194, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 263-00 Judiciary and Hawaiian Affairs on H.B. No. 2528

The purpose of this bill is to protect Hawaii's drinking water by clarifying that violators are subject to penalties for each violation.

The Department of Health testified in support of this measure explaining that this clarifying language is needed to conform to federal requirements to qualify for continued federal funding of safe drinking water efforts.

Your Committee has amended this bill by making technical, nonsubstantive amendments for 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. 2528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2528, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

SCRep. 264-00 Judiciary and Hawaiian Affairs and Public Safety and Military Affairs on H.B. No. 2594

The purpose of this bill is to:

1. Remove the mandatory sentencing requirement for the offenses of Promoting a Dangerous Drug in the Second Degree and in the Third Degree; and
2. Require treatment alternatives when sentencing defendants to probation for these offenses.

The Department of Public Safety, the Office of the Public Defender, the American Civil Liberties Union, the Community Alliance on Prisons, and concerned individuals testified in favor of this measure. The Honolulu Police Department, Department of the Prosecuting Attorney for the the County of Honolulu and the Department of the Prosecuting Attorney for the County of Maui testified against this measure.

Your Committee finds that:

1. Returning sentencing discretion to the courts regarding probation for offenders of Promoting a Dangerous Drug in the Second Degree and in the Third Degree will provide for more meaningful sentencing options; and
2. Requiring treatment alternatives when sentencing defendants to probation for these offenses will provide better opportunities for first time drug offenders to take advantage of community resources to help combat their addiction.
3. The Department of the Prosecuting Attorney has indicated that their office exercises discretion in determining which defendants will be charged with promoting a methamphetamine drug which results in the imposition of the mandatory minimum sentence. However, your Committee believes that such discretionary function belongs to the courts.

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. No. 2594 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, Hiraki, Yoshinaga and Whalen.

SCRep. 265-00 Ocean Recreation and Marine Resources on H.B. No. 2571

The purpose of this bill is to improve the management, operation, and facilities of state small boat harbors. This bill:

- (1) Authorizes the Board of Land and Natural Resources to lease fast and submerged lands within an existing state boating facility for private development, management, and operation;
- (2) Clarifies that leases issued for small boat harbors may include any use that will complement or support the maritime activities of state boarding facilities;
- (3) Permits the moorage of a limited number of commercial vessels in the Ala Wai and Keehi boat harbors; and
- (4) Requires that all revenues due to the State derived from leases of state boating facilities be deposited into the Boating Special Fund.

The Department of Land and Natural Resources (DLNR), The Chamber of Commerce of Hawaii's Maritime Committee, Atlantis Submarines, the Waikiki Improvement Association, the Small Business Regulatory Review Board, and several individuals testified in support of this bill. The Ala Wai Marina Committee, the Office of Hawaiian Affairs, the Hawaii Boaters Political Action Association, and several individuals opposed this measure. The Hawaii Government Employees Association offered comments.

Your Committee has amended this bill by:

- (1) Requiring that before submerged lands or lands beneath tidal waters are leased in an existing state boating facility, the prior approval of the Governor and the prior authorization of the Legislation must be obtained; and
- (2) Making technical, nonsubstantive amendments.

This bill will enable the State to begin soliciting proposals from private companies wishing to lease space at the Ala Wai and Keehi boat harbors. Given the need for general improvements of the harbors, commercializing small portions of the harbors, will allow the State to generate revenue with no cost to existing slipholders.

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. 2571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2571, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 266-00 Ocean Recreation and Marine Resources on H.B. No. 3001

The purpose of this bill is to enable the Department of Land and Natural Resources (DLNR) to bring private residential noncommercial piers on state submerged lands or lands beneath tidal waters into conformance with State laws. This bill also seeks to ensure appropriate revenue generation for beneficiaries of the Public Land Trust.

The DLNR, Protect Our Shoreline Ohana, and several concerned individuals testified in support of this bill. Windward Watersports Center, Hawaiian Island Jet Sport Association, and several concerned individuals testified in opposition of this bill.

This bill allows the direct negotiation of State submerged lands for private residential noncommercial piers. Presently, any long-term lease for this purpose must be issued via public auction which is illogical since the only bidder with the ability to construct the pier is the abutting private landowner. This bill also deletes the requirement that leases for sunbathing and swimming piers on public lands be open to the public and have signs indicating the public's right to use the pier. Finally, this bill also deletes the requirement that easements or leases for noncommercial piers be approved by the Governor and the Legislature, thereby streamlining the approval process.

Your Committee has amended this bill by repealing the provisions of this measure on June 20, 2005.

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. 3001, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3001, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia and Kanoho.

SCRep. 267-00 Economic Development and Business Concerns on H.B. No. 2583

The purpose of this bill is to eliminate an unnecessary rule requirement regarding videoconferenced board meetings by allowing, rather than requiring, boards to adopt rules in accordance with the Hawaii Administrative Procedure Law when prescribing additional procedures for conducting meetings by videoconference.

The Office of the Lieutenant Governor (Office), the Department of the Attorney General, the Office of Information Practices, the University of Hawaii, Common Cause Hawaii, and an individual testified in support of this measure. Comments were submitted by Life of the Land and an individual.

The Office testified that this bill is part of a package of bills being recommended for action by the Office's "Slice Waste and Tape" (SWAT) reform initiative to reduce the regulatory burdens on businesses and to improve government efficiency.

In 1994, the Legislature recognized that allowing boards and commissions to hold meetings by videoconference would increase public access to board meetings, reduce costs, and help government operate more efficiently and effectively. Act 121, Session Laws of Hawaii 1994, codified as Section 92-3.5, Hawaii Revised Statutes (HRS), permits boards to meet by videoconference and provides specific requirements for holding meetings. However, the law requires that any board wishing to hold meetings by videoconference first adopt unspecified additional rules pursuant to the Hawaii Administrative Procedure Law. Your Committee notes that, to date, no board has gone through the rulemaking process to adopt additional rules for holding meetings by videoconference.

Your Committee has amended this bill by:

- (1) Requiring that board meeting notices specify that the public may attend videoconferenced board meetings at any of the specified meeting locations, rather than allowing boards to adopt rules in accordance with the Hawaii Administrative Procedure Law to prescribe additional procedures for conducting meetings by videoconference; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2583, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2583, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Morihara.

SCRep. 268-00 Transportation and Energy and Environmental Protection on H.B. No. 2615

The purpose of this bill, as received by your Committee, is to amend the definition of hazardous materials, and to clarify reporting requirements for hazardous material incidents during transportation.

Your Committee finds that the present definition of hazardous materials does not conform to federal regulations under the Hazardous Materials Transportation Act. Your Committee further finds that the present statute refers only to hazardous materials in transit, and not to incidents which occur in storage. Your Committee further finds that incidents (potential or actual spills, leakage, or loss of control) are required to be reported only to police and fire departments, and notification forwarded to the United States Department of Transportation.

This bill proposes to amend the definition of hazardous materials being transported to be consistent with federal regulations. The bill also proposes that the transportation of hazardous materials shall include storage, while awaiting actual shipment. The bill further proposes to extend required reporting of incidents to the State Department of Health, and that a copy of any required notification be provided to the State Department of Transportation.

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

As affirmed by the records of votes of the members of your Committees on Transportation 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. 2615 and recommend 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, Saiki and Yoshinaga.

SCRep. 269-00 Transportation and Energy and Environmental Protection on H.B. No. 2896

The purpose of this bill, as received by your Committee, is to encourage the use of alternate fuels as energy sources for motor vehicles.

Your Committee finds that the State depends primarily on gasoline and diesel fuel for motor vehicles, and that the utilization of alternate fuels has the potential for improving energy efficiency, upgrading air quality, and reducing dependence on imported oil. Your Committee further finds that Act 290, Session Laws of Hawaii 1997, provided financial and regulatory incentives for the use of electric vehicles. Your Committee further finds that other alternate fuels can be utilized, some of which can be produced from renewable materials available in our State.

This bill proposes to extend the incentives offered for electric vehicles to the use of other alternate fuels to encourage the purchase or lease of these vehicles. These incentives, to be governed by rules adopted by the Department of Transportation, are to include the issuance of a special license plate to designate that the vehicle is alternate fueled, waiving the payment of registration and fees associated with the purchase of special license plates, exempting payment of parking fees, including those collected through parking meters, and permitting the use of high occupancy and zipper lanes, regardless of the usual passenger count restrictions.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism. The Gas Company expressed strong support of this bill.

As affirmed by the records of votes of the members of your Committees on Transportation 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. 2896 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Okamura, Saiki, Yoshinaga, Takumi, Meyer and Thielen.

SCRep. 270-00 Water and Land Use on H.B. No. 2807

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources (DLNR) for the formation of a Waialua-Haleiwa Stormwater Drainage Master Plan (Master Plan).

Your Committee received testimony from DLNR in opposition of this bill. Life of the Land submitted testimony in support of this bill.

Your Committee finds that on December 2, 1999, a storm occurred in the Ko'olau which caused water to spill over the emergency spillway at Wahiawa Reservoir into Kaukonahua Stream. This caused flood waters to rise up to the floorboards of residents' homes at Otake Camp. The Master Plan will benefit the City, State, and Federal Emergency Management Agency by identifying the houses that are repeatedly damaged by floods and utilizing methods to get them out of harm's way.

Your Committee has revised this bill by changing the appropriation to \$1 for the purpose of continued discussion.

Technical, nonsubstantive amendments to the bill have also been made 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. 2807, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2807, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 271-00 Human Services and Housing on H.B. No. 2273

The purpose of this bill is to establish a dedicated funding source from the general fund to subsidize the Hawaii Children's Trust Fund (Trust Fund) for five years in an amount equal to an unspecified percentage of the general fund and to be matched by nonstate funding sources.

Your Committee received testimony from the Good Beginnings Alliance, The Institute For Family Enrichment, Parents and Children Together, Prevent Child Abuse Hawaii, Ua Nani O Ke Anuenu Respite Care Service, and a concerned citizen in support of this measure. The Department of Budget and Finance submitted testimony in opposition to this measure.

The Trust Fund was established in 1993 to serve as a medium for a public-private partnership for family strengthening to prevent child abuse and neglect. The Trust Fund serves as a repository for funds from the federal and state governments, as well as contributions from private businesses, foundations, individuals, and other interested parties. The Hawaii Community Foundation, which has been successfully managing charitable endowments since 1916, administers the Trust Fund.

The Legislature finds that the prevalence of child abuse and neglect is indisputable. A cost benefit analysis demonstrates that effective abuse and neglect prevention programs that strengthen families are less costly than treating children that have been abused or neglected. Hawaii was one of the last states to establish a children's trust fund; however, no appropriation has been made to the Trust Fund. An appropriation of \$500,000 from the Hawaii Tobacco Settlement Special Fund to the Trust Fund would ensure that a more complete safety net is put in place for children and their families.

Your Committee has amended this bill by substituting the five annual appropriations from the general fund and the matching requirement with one appropriation of \$500,000 from the Tobacco Settlement Special Fund to the Trust Fund. Your Committee has further amended this bill to correct certain typographic, technical, and stylistic errors.

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. 2273, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2273, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 272-00 Human Services and Housing on H.B. No. 2429

The purpose of this bill is to make amendments to the Rent Supplement Program (Program). Specifically, this measure:

- (1) Conforms the definition of "qualified resident" in section 201G-128, Hawaii Revised Statutes (HRS), with section 201G-112, HRS, to include persons living with other household members, with whom they are not married but are cohabitating;
- (2) Includes "very low" income households or persons earning fifty percent or less of the median family income, as Program participants;
- (3) Enables eligible single persons, who are not elderly or disabled, to participate in the Program; and
- (4) Phases in an increase in the tenant's rent contribution from twenty percent to thirty percent of the tenant's annual income.

The Housing and Community Development Corporation, the Governor's Office, Catholic Charities Elderly Services, Hawaii Catholic Conference, the Legal Aid Society of Hawaii, and the Affordable Housing and Homeless Alliance testified in support of this measure.

Your Committee finds that increasing the Program's participation levels will help prevent homelessness among persons with very low incomes. However, with a waitlist of approximately 1,900 to 2,000 individuals, a waiting period of two to three years, and funding that has decreased from \$3,200,000 in 1995 to \$1,900,000 as of the fiscal year ending June 1999, your Committee is concerned over any further cuts to the Program.

Your Committee has amended this measure by:

- (1) Deleting provisions to the maximum allowable income priorities in section 201G-235, HRS, because allowing participation of very low income families in the Program makes these priorities inapplicable; 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. 2429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2429, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 273-00 Health on H.B. No. 2525

The purpose of this bill is to liberalize regulatory controls and restrictions on prescription drugs. Specifically, this measure:

- (1) Amends and adds new definitions for clarity;
- (2) Removes onerous and unnecessary regulatory controls on the distribution of the prescription drug, medical oxygen;
- (3) Liberalizes the requirements for filling an out-of-state prescription; and
- (4) Clarifies requirements and verification measures for prescription drug orders.

The Hawaii Pharmacists Association and Longs Drugs Stores submitted testimony in support of this bill. The Department of Health (DOH) also submitted testimony in support and suggested nonsubstantive amendments for clarification purposes.

This measure will improve patient care by liberalizing the requirements for dispensing prescription drugs and medical oxygen without compromising the DOH's ability to safeguard public health. The present out-of-state prescriptions requirements impede access to needed prescription medications for visitors and local residents who have physicians on the mainland. This bill will improve the process of assigning oral code numbers to physicians for verification purposes. Further, this bill will also clarify minimum content requirements and verification measures for prescription drug orders.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2525, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2525, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Kahikina.

SCRep. 274-00 Health on H.B. No. 2541

The purpose of this bill is to prevent tooth decay by fluoridating Hawaii's water supply.

The Department of Health (DOH), the State Health Planning and Development Agency (SHPDA), the Hawaii Statewide Health Coordinating Council, the SHPDA Plan Development Committee, the State Certificate of Need Review Panel, the Kauai County Subarea Health Planning Council, the Tri-Isle Subarea Health Planning Council, the Hawaii County Subarea Health Planning Council, the Honolulu Subarea Health Planning Council, the West Oahu Subarea Health Planning Council, the Windward Oahu Subarea Health Planning Council, the Hawaii Medical Service Association, the Hawaii Medical Association, and the Waianae Coast Comprehensive Health Center testified in support of this measure.

The Hawaii Dietetic Association, the Hawaii Public Health Association, the Hawaii State Primary Care Association, the Hawaii Dental Association, the Hawaii Dental Hygienists' Association, Kokua Kalihi Valley Comprehensive Family Services, Ke Ola Mamo Native Hawaiian Health Care System of Oahu, the Kauai Rural Health Association, the Honolulu County Dental Society, the Policy Advisory Board for Elder Affairs, the Hawaiian Health Committee of Wilcox Health System, the Kauai Dental Health Task Force, the Hawaii Academy of Pediatric Dentistry, the Chamber of Commerce of Hawaii, the Hawaii Chapter of the American Academy of Pediatrics, and numerous individuals also testified in support of this measure.

The Hawaii County Department of Water Supply, the Hawaii Citizen's for Health, and numerous individuals opposed this measure. The Kauai County Department of Water, the Maui Board of Water Supply, and an individual submitted comments.

Your Committee heard compelling testimony both for and against fluoridating Hawaii's water supply, and acknowledges that this is a highly emotional and complex issue. Your Committee recommends that this measure be passed out of committee for further review, but has the following concerns requiring further discussion:

- (1) The appropriateness of using the Hawaii Tobacco Settlement Special Fund as the funding source to fluoridate the water supply;
- (2) The abolishment of DOH's Dental Hygiene Program (Program). Your Committee believes that the Program is a significant component of a comprehensive system to ensure healthy oral hygiene, and is concerned about its possible termination; and
- (3) The evaluation component to test the effectiveness of fluoridation. Your Committee believes that benchmarks and outcome indicators are necessary and should be used to hold DOH accountable for its outcomes.

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. 2541 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. 275-00 Consumer Protection and Commerce on H.B. No. 1882

The purpose of this measure is to require the auditor to conduct a management audit of the Public Utilities Commission (PUC) to assess the adequacy of the present utility regulatory process in dealing with issues, problems, and developments in complex and changing areas, such as telecommunication, energy, deregulation, and intergovernmental relations, and to report back to the legislature and governor before the convening of the regular session of 2001.

Testimony in support of this measure was submitted by Hawaii Renewable Energy Alliance, Na Leo Pohai, Life of the Land, and a council member of the Maui County Council.

Testimony in support of this measure, with suggested amendments, was provided by the PUC.

Your Committee finds that there is a need to conduct a management audit of the public utilities commission to assess the adequacy of the present utility regulatory process in dealing with issues, problems, and developments in complex and changing areas such as telecommunications, energy, deregulation, and intergovernmental relations.

Your Committee finds that in 1998 the PUC experienced a dramatic change in management consisting of a new chairman, two new commissioners, and a new administrative director.

You Committee agrees with the recommendation of the PUC that the audit should be consistent with the 1989 audit in terms of objectives and scope.

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. 1882, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1882, H.D. 1, and be referred to the Committees on Legislative Management and Finance.

Signed by all members of the Committee except Representatives Herkes, Morita, Takumi, Yoshinaga and Rath.

SCRep. 276-00 Consumer Protection and Commerce on H.B. No. 2006

The purpose of this bill is to exempt from the Hawaii Hurricane Relief Fund (HHRF) assessment, those policies that an insurer provides that are in excess of amounts offered by the HHRF.

Testimony in support of this measure was provided by State Farm Insurance Companies and the Hawaii Insurers Council. The Department of Commerce and Consumer Affairs provided testimony in support of the measure with several amendments.

Your Committee has amended this bill by narrowing the scope of the bill to residential property only. The retroactive date has been amended from January 1, 1997 to September 1, 1998, the date that the HHRF ceased to issue commercial insurance policies.

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. 2006, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2006, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Morita, Takumi, Yoshinaga and Takumi.

SCRep. 277-00 Consumer Protection and Commerce on H.B. No. 2701

The purpose of this measure is to establish a renewable energy demonstration project in the Department of Education at one public school in each school district. The project is intended to demonstrate the feasibility and cost effectiveness of installing photovoltaic systems and energy storage devices in the public schools utilizing performance contracting and net metering.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, and Life of the Land.

Testimony in support of this measure, with proposed amendments, was submitted by the Department of Education.

Testimony commenting on this measure was submitted by the Department of Accounting and General Services.

Your Committee has made the following amendments to this measure to address the concerns of the Energy and Environmental Protection Committee:

- (1) included language regarding utilizing performance contracting, net metering, and energy efficiency retrofitting; and
- (2) removed appropriations for this measure from the general revenues of the State.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2701, 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. 2701, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Hiraki, Kaho'ohalahala, Yoshinaga and Halford.

SCRep. 278-00 Energy and Environmental Protection on H.B. No. 1893

The purpose of this bill is to highlight the importance of reducing greenhouse gas emissions in this State. This bill amends the State's energy facility system planning objectives by including the reduction of greenhouse gas emissions as one of the State's energy objectives. This bill also adds two new State policies on this same issue.

The Department of Business, Economic Development, and Tourism, the Hawaii Renewable Energy Alliance, and three individuals testified in support of this bill. The Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company, opposed passage of this measure. The University of Hawaii's Environmental Center offered comments.

Your Committee has amended this bill by:

- (1) Specifying that the policy to support actions that reduce greenhouse gases are from utility, transportation, and industrial sector applications rather than from combustion sources;
- (2) Clarifying that it is a policy to support actions that reduce Hawaii's greenhouse gas emissions through agriculture and forestry initiatives rather than through agriculture and forestry. These initiatives may include strategies such as tree planting in urban areas where they:
 - (A) Can shade buildings and reduce the need for air conditioning; and
 - (B) Are less likely to be cut down;and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1893, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1893, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kanohe.

SCRep. 279-00 Transportation on H.B. No. 2934

The purpose of this bill, as received by your Committee, is to increase the time for which a driver's license instruction permit is valid.

Your Committee finds that the validity of an instruction permit is presently limited to 180 days. Your Committee further finds that many drivers do not feel that they have had sufficient practice to take the road test with the examiner in the vehicle, so they renew their learner's permits.

This bill proposes to extend the validity of the instruction permit to one year.

Testimony in support of this measure 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. 2934 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, Saiki, Takai and Yoshinaga.

SCRep. 280-00 Transportation on H.B. No. 2687

The purpose of this bill is to replace the term traffic "accident" with the term traffic "collision".

Your Committee finds that the term "accident" implies an event occurring by chance or from unknown causes. Your Committee further finds that many traffic incidents have known causes and do not occur by chance. The term "collision" which means an act or instance of colliding more accurately describes many of these traffic incidents.

This bill proposes to replace the term "accident" with the term "collision". This bill also deletes the requirement in section 291C-13, Hawaii Revised Statutes(HRS), that the motor vehicle crash result only in damage to a vehicle or other property.

Testimonies in support of this bill were received from the Department of Transportation, Mother's Against Drunk Driving, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Honolulu Police Department. The Judiciary took no position on this bill.

Your Committee has amended this bill by including an amendment to section 291C-13, HRS, so that the charges incurred when violating this section will also encompass human injury.

Your Committee also requests that the Committee on Judiciary and Hawaiian Affairs consider and make two amendments to the bill:

- (1) To include a definition of the term "collision".
- (2) To delete the definition of the term "accident".

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. 2687, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2687, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 281-00 Transportation on H.B. No. 2317

The purpose of this bill is to amend section 281-101.5, Hawaii Revised Statutes(HRS), to clarify penalties incurred by underage violators of the liquor law.

Your Committee finds that underage drinking is a problem. Your Committee further finds that current law does not stipulate penalties to be incurred by minors for violating liquor laws.

This bill provides that persons under the age of eighteen who have violated liquor laws shall be penalized by:

- (1) Suspension of their driver's license for six months;
- (2) Required to do 100 hours of offense-related community service; and
- (3) Required to attend an alcohol and drug education program provided by the court with the accompaniment of a parent or guardian.

This bill also provides that the aforementioned penalties apply to offenders between the age of eighteen to twenty-one. This bill further stipulates that repeat offenders shall have their license revoked for one year and required to perform one hundred fifty hours of offense-related community service.

Testimony in support of this bill was received from Mother's Against Drunk Driving, Youth in Action, and the Honolulu Police Department. The Judiciary took no position on the bill.

Your Committee has amended this bill by targeting violators under the age of eighteen and deleting amendments that would apply to minors older than eighteen but younger than twenty-one. Your Committee has also amended the length of community service required by the family court, from one-hundred hours to twenty hours.

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. 2317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2317, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 282-00 Transportation on H.B. No. 1976

The purpose of this bill, as received, is to establish the offense of driving after the ingestion of illegal drugs for persons under age twenty-one; and to establish implied consent provisions for persons driving with illegal drugs in their blood or urine.

Your Committee finds that the current law which provides the definition of "drug" does not clearly encompass over-the-counter drugs. Some over-the-counter drugs impair a person's ability to drive.

Testimony in support of this bill was received from Mothers Against Drunk Driving. Testimonies in opposition to this bill were received from the Department of the Prosecuting Attorney of the City and County of Honolulu, the Office of the Public Defender, and the Honolulu Police Department.

Your Committee has amended the bill by deleting its substance and amending it to elaborate on the definition of drug by amending chapter 291-7, HRS. The term drug as proposed by this amended bill includes any substance that requires a United States Food and Drug Administration warning label as well as any intoxicating compound as defined in section 712-1240, in addition to the previous law that defined drug as any controlled substance defined in schedules I through IV of chapter 329.

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. 1976, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1976, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 283-00 Transportation on H.B. No. 2775

The purpose of this bill is to increase the penalties for those persons who drive impaired with a blood-alcohol concentration(BAC) of .17 or more.

Your Committee finds that a driver with a high BAC is at much greater risk of becoming involved in a motor vehicle collision.

This bill doubles the penalties for driving under the influence of intoxicating liquor at a blood-alcohol level of .17 or more grams of alcohol per one hundred milliliters or cubic centimeters of blood or .17 or more grams of alcohol per two-hundred ten liters of breath.

Testimonies in support of this bill were received from the Department of Transportation, Mothers Against Drunk Driving, the Hawaii Nurses' Association, and the Honolulu Police Department. The Judiciary took no position on this bill.

Your Committee has amended this bill by setting the maximum jail time at thirty days instead of sixty days. This bill is further amended by deleting the substance of section 3 which amended section 291-4.3, 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. 2775, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2775, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 284-00 Water and Land Use on H.B. No. 755

The purpose of this bill is to allow for more flexibility for homestead lessees by making amendments which are fair and reasonable for both the homestead lessees and the state.

Testimony in support of this bill was submitted by the DLNR and one concerned citizen.

No testimony in opposition of this bill was received.

Testimony recommending an amendment restructuring the fair market value formula was received by OHA.

Your committee finds that currently the law does not allow for the transfer or assignment of a homestead lease to a family member while the lessee is still alive. According to section 171-99(e), HRS, only upon the death of the lessee can the lease be passed on and then, only to the person(s) as defined in this succession provision. This requirement stifles lessees who desire to leave their lease to a particular family member. Often times, the lessees would like the lessee and/or the property, including investing their own monies into improvements. This bill would allow the homestead lessees to assign the lease prior to their death while ensuring that the lease remains within the lessee's family.

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. 755, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 755, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 285-00 Higher Education on H.B. No. 1800

The purpose of this bill is to increase the number of properly trained mental health professionals and special education teachers in the Department of Education (DOE) by appropriating funds to establish a master's degree in counseling psychology program and a special education licensure program at the University of Hawaii at Hilo (UHH).

The University of Hawaii, DOE, Mental Health Association in Hawaii County, and one individual supported this bill. The Department of Health supported the intent of this bill.

Your Committee finds that funding teaching programs for counseling psychology and special education at UHH is an important step in alleviating the critical shortage of these professionals in the DOE. The DOE must have a local pool of these important employees from which to choose. The shortage of mental health professionals and special education teachers is particularly acute on the Big Island and these programs at the UHH campus would be strategically located to help recruitment efforts there.

Your Committee further finds that it is of crucial importance to ensure that these programs provide graduates who remain in Hawaii to help the DOE in their critical need areas.

Your Committee has amended this bill by:

- (1) Stipulating that tuition waivers may be granted in these programs to students who agree to provide service to the DOE following graduation;
- (2) Appropriating funds separately for each of the two programs; 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1800, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1800, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 286-00 Water and Land Use on H.B. No. 2577

The purpose of this bill is to increase resident and nonresident hunting license fees, to require applicants for a license to disclose if they are prohibited from using firearms for hunting, and to authorize the Department to establish hunting license application and issuance procedures and fees through administrative rules.

The Department of Land and Natural Resources (DLNR), testified in support of this bill with an amendment to provide just a single resident license.

Testimony in opposition to the bill was received from the Hawaii Hunting Association, the Hawaii Hunting Advisory Council, the Conservation Association of Hawaii, and one private citizen.

Your Committee finds that hunters support the Hunting and Recreation Program by paying state license fees and federal excise taxes on arms and ammunition. Hawaii has traditionally supported its public hunting program with general funds. Increasing resident license fees is a way to maintain services and have the user group that is benefiting from the Program pay a bit more of the cost. Increasing nonresident license fees will also help generate revenue that can enable DLNR to dedicate personnel and efforts to develop and promote hunting on private lands. This bill also establishes different categories of licenses, a game mammal, game bird, or combination bird and mammal license. The provision to require applicants to disclose if they are prohibited from using firearms to hunt is a change in licensing requirements requested by enforcement personnel.

This bill also amends the statute to allow setting hunting license fees through administrative rules rather than via statute.

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. 2577 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. 287-00 Tourism and Water and Land Use on H.B. No. 1909

The purpose of this bill is to stimulate tourism in east Hawaii by creating incentives for reinvestment in the resort and other infrastructure of the Banyan Drive resort area in Hilo, Hawaii.

Specifically, this bill authorizes the Department of Land and Natural Resources (DLNR) to issue new leases to existing lessees of the Banyan Drive Resort area, subject to certain conditions.

The Chamber of Commerce of Hawaii, Bay Clinic, Inc., the Hawaii Naniloa Hotel, and two individuals testified in support of this measure. The International Longshore & Warehouse Union testified and submitted testimony in support of the intent of the measure. The Office of Hawaiian Affairs testified in opposition to the measure. Comments were submitted by DLNR.

Your Committees note that there are fifteen total leases in the Banyan Drive resort area. Of the fifteen leases, there are ten leases covering three resort facilities (Naniloa, 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. With the majority of the leases in the Banyan Drive resort area 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 and ensure the long-term maintenance of their resorts. It is your Committees' belief that this bill provides a necessary incentive to ensure the continued reinvestment in the Banyan Drive resort area.

Your Committees have amended this bill by:

- (1) Requiring that the lease issuance process take into account the current fair market value, rather than the residual replacement value, of the tenant-owned improvements; 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 Tourism 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. 1909, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1909, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Herkes, Luke, Morihara and Suzuki.

SCRep. 288-00 Ocean Recreation and Marine Resources on H.B. No. 2753 H.D. 1

The purpose of this bill is to protect marine mammals in waters off the Waianae coastline of Oahu by:

- (1) Imposing a two-year moratorium on the issuance of new permits for commercial marine mammal watching tours; and
- (2) Directing the Department of Land and Natural Resources (DLNR) to:
 - (A) Determine the maximum number of commercial marine mammal watching tours that should be authorized to operate in the future;
 - (B) Study the feasibility of issuing permits for specific rather than unspecified ocean recreational activities; and
 - (C) Require all persons issued commercial use permits that involve marine mammal watching in waters along the Waianae coastline to charge a \$1 fee for each paying passenger. The fees generated shall be deposited with the DLNR for the purposes of funding the study.

This moratorium would allow the DLNR the time to conduct a study to determine the maximum number of commercial use permits to be issued for marine mammal watching tours in waters along Waianae coastline based on the impact that such activities may have on marine mammals in that region.

The Marine Mammal Research Program, Earthtrust, Dolphin Excursions, Alternative Hawaii, Annette's Adventures, as well as several concerned individuals testified in support of this bill.

A group of concerned individuals testified in opposition to this bill. DLNR supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Expanding the scope of the moratorium on the issuance of new commercial use permits to any person whose operation includes conducting these tours;
- (2) Instituting a \$1 fee for each paying passenger taking part in marine mammal watching;
- (3) Requiring that the DLNR use these fees to finance its study;
- (4) Deleting the appropriation section; and
- (5) Making technical, nonsubstantive amendments for the purpose of consistency.

Your Committee is concerned that the fee to be charged to each paying passenger on marine mammal watching tours may be insufficient to finance the study. Hopefully, any deficit may be offset by the availability of federal funds.

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. 2753, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2753, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia and Kanoho.

SCRep. 289-00 Transportation on H.B. No. 2643

The purpose of this bill is to remove preestablished additional fees for vehicle registrations to be used for highway beautification.

Your Committee finds that presently the U-drive companies are assessed an additional fee of \$1 for each vehicle registration, and all other owners are assessed an additional \$2 for each registration, the funds to be used for highway beautification and removal of abandoned vehicles. Your Committee further finds that the fees collected are insufficient to remove the large numbers of derelict and abandoned vehicles along the highways.

This bill removes the preestablished fees, and permit the counties to determine the additional fee amounts, the funds to be used for highway beautification and removal of derelict and abandoned vehicles.

Testimony in opposition to this bill was received from Catrala-Hawaii's Legislative Committee, which requested that the bill be amended to exempt vehicles which are rented or leased from any increases in additional fees assessed by the county. The county of Kauai suggested that U-drive vehicles be exempt from further assessments.

Your Committee has amended this bill by removing the sentence pertaining to placing the fees in a specified revolving fund.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2643, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 290-00 Transportation on H.B. No. 2692

The purpose of this bill is to provide the following:

- (1) A police officer shall determine the type of test taken by the person suspected of driving under the influence of intoxicants;
- (2) Permits a person's refusal to take a test as admissible in court; and
- (3) Changes the definition of drugs.

Your Committee finds that some intoxicants, such as inhalants, are more easily detected in blood than in urine. Your Committee further finds that by allowing police officers to choose what test to administer, a better indication as to the cause of the driver's impairment will be available.

Testimonies in support of this bill were received from the Department of Transportation, the Judiciary, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, and Mothers Against Drunk Driving. Testimony in opposition to this bill was received from the Pharmaceutical Research and Manufacturers of America and the Hawaii Criminal Defense Lawyers Association.

Your Committee has amended this bill by deleting the proposed amendments to section 291-7, HRS, which expanded the definition of drugs.

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. 2692, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2692, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 291-00 Higher Education on H.B. No. 2760

The purpose of this bill is to encourage participation in the College Savings Program (Program) by:

- (1) Allowing an income tax deduction for contributions made to a Program up to \$5,000 for an individual filer and up to \$10,000 for joint filers for each taxable year; and
- (2) Providing an income tax exemption for qualified withdrawals from a Program account.

The Teachers Insurance and Annuity Association College Retirement Equities Fund supported the bill. The University of Hawaii supported the intent of the bill. The Tax Foundation of Hawaii and the Department of Taxation commented on the bill.

Your Committee finds that state tax incentives are an effective means by which to encourage participation in the Program. The combination allowing contributions to be tax-deductible exempting qualified withdrawals from income tax calculations and will make this Program far more attractive, and result in much higher participation and contributions.

Upon further consideration, your Committee has amended this bill by incorporating several new provisions. They are as follows:

- (1) Authorizes the Director of Finance (Director) to directly enter into tuition savings agreement;
- (2) Provides flexibility to the Director in choosing the most appropriate method for investment services by deleting the specification that the financial organization chosen to manage the program provide only one type of investment instrument;
- (3) Requires the managing financial organization to disclose pertinent information to account owners;
- (4) Gives the Director the flexibility to conduct transition arrangements by deleting the section governing the management of accounts when the contract with the managing financial organization is terminated;
- (5) Encourages wider participation in the Program by allowing the Director to establish the length of time for a participant to be in the Program before making withdrawals;
- (6) Consolidates the provisions regarding costs and clarifies that all costs from the Program be paid from the assets of the trust fund;
- (7) Clarifies definitions; and
- (8) Makes technical, nonsubstantive changes for purposes of style and clarity.

Your Committee finds that these changes will further enhance the administration and management of the college savings program. Furthermore, they expand upon the earlier provisions of the bill which make the program more accessible and attractive. Taken as a whole, this bill provides changes that enhance both the internal workings and the utility of the college savings program and, accordingly, your Committee urges passage of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2760, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2760, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 292-00 Education on H.B. No. 2746

The purpose of this bill is to appropriate \$520,595 to the Department of Health in order to maintain existing peer education programs in twenty-six schools, and to appropriate \$625,250 to establish peer education programs in ten additional schools.

Your Committee finds that the Peer Education Program was established in 1988 to address such serious adolescent health problems as teen pregnancy, sexually transmitted diseases, substance abuse, violence, and suicide. Presently, the Department of Health maintains and operates broad-based, systemic, adolescent health prevention programs in twenty-six secondary schools. The services provided by peer education programs have become an essential component in the public school system, and support the State's adolescent wellness plan, "Laulima in Action." Peer education programs can help adolescents who are at-risk or in crisis, which in turn can reduce their need for more intensive and expensive intervention services later in life, by giving them the opportunity to learn how to prevent such health problems as teen pregnancy, sexually transmitted diseases, substance abuse, violence, and suicide.

Your Committee received testimony in support of this bill from the Department of Health; the Hawaii State Commission on the Status of Women; the Hawaii State Teachers Association; the American Cancer Society; the Keiki Injury Prevention Coalition; the Healthy Mothers, Healthy Babies Coalition of Hawaii; peer education coordinators; peer educators; teachers and other school personnel; parents; and a large number of students.

Your Committee would like to point out that the strongest supporters of the Peer Education Program are its students and former students. It is both satisfying and reassuring to see such an outpouring of support for the Peer Education Program from the clients of the State's public school system -- the students.

Your Committee encourages the Department of Health and the Department of Education to continue with ongoing planning sessions intended to integrate the Peer Education Program into the Comprehensive Student Support System.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2746 and recommends that it be referred to the Committee on Finance.

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

SCRep. 293-00 Education on H.B. No. 2285

The purpose of this bill is to appropriate \$250,000 to hire teachers and a supervisor for the Hawaiian studies program.

Your Committee finds that the state constitution, article X, section 4, requires the State to provide a Hawaiian education program consisting of language, culture, and history, in the public schools. The program had resource teachers at one time, but they were terminated. This has had an adverse impact on the quality of the program and the fulfillment of this state mandate.

This bill would provide one resource teacher for each school district, and one supervisor to lead and coordinate the resource teachers. Your Committee finds that this bill will assist the State in performing this constitutionally required function.

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. 2285 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. 294-00 Education on H.B. No. 2385

The purpose of this bill is to appropriate funds for the Resources for Early Access to Learning Program (Families for R.E.A.L.).

The program is based on Minnesota's Family Education Model and has proven to positively influence children's academic achievement by empowering parents as their young children's first teachers, rather than relying upon public school instruction in the lower grades.

The bill appropriates funds for personnel and supplies on four sites in the Honolulu, central Oahu, Kauai, and Hawaii departmental school districts.

Your Committee received testimonies from the Department of Education, the Kauai Community School for Adults, the principal of Kapunahala Elementary School, the Hawaii Community Education Association, and other concerned parents, teachers, and students in support 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. 2385 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. 295-00 Education on H.B. No. 2391

The purpose of this bill is to appropriate \$1,238,476 to the Department of Education to evenly implement the parent-community networking center program by funding a complete center for each school, providing a coordinator for each departmental school district, and providing a parent facilitator for each school.

This bill also appropriates \$89,856 to the Department of Education, for eight parent liaison coordinators, to demonstrate the efficacy of classroom generated partnerships on student well-being and achievement in eight schools; one school per departmental school district (of which there are seven) and one school in Kona on the island of Hawaii.

Your Committee received testimony in support of this bill from the Department of Education, the Hawaii State Teachers Association, the Hawaii State Parent, Teachers and Students Association (PTSA), the Hawaii Community Education Association, the principals or vice-principals of six schools, district PCNC coordinators, PCNC facilitators, parent facilitators, teachers and other school staff, and constituents.

Your Committee finds that there is a wealth of resources hidden in every school's community. The challenge for legislators and educators alike is determining how best to enlist these resources in order to improve student achievement. Positive school-community relations and supportive attitudes among educators, parents, and community members can increase the public's involvement in the education of Hawaii's youths. All too frequently, the depth and breadth of these resources become apparent only after the Board of Education, the Governor, or the Legislature propose to close a school or eliminate a program.

Parent-community networking centers allow schools and communities to work together naturally, without the contrivances of the Board of Education, the Governor, or the Legislature to get in the way of things. While the artificiality of education reform efforts can be their greatest downfall, parent-community networking centers are as natural as neighbors gathering on the sidewalk to talk about issues and concerns. The stability of school-community relations is ultimately dependent on the roots that support it. Parent-community networking centers facilitate the growth of deep roots and provide the basis for stable school-community relations.

This bill will enable the Department of Education to evenly implement the parent-community networking center program, and smooth out past inequities caused by the lack of adequate funding.

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. 2391 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 Leong.

SCRep. 296-00 Education on H.B. No. 1905

The purpose of this bill is establish a pilot program that would allow Jefferson Elementary School (school) to deposit with the school, rather than to the general fund, eighty percent of the moneys collected from rental fees for use of the school's facilities.

Testimony in support of this bill was submitted by Thomas Jefferson Elementary School and a concerned individual. The Department of Education submitted testimony in opposition to this bill.

Your Committee finds that by allowing the school to retain a percentage of the rental fees it will be able to purchase many needed items for the students.

Your Committee has amended this bill by:

- (1) Clarifying that the school shall be allowed to set their own rental fee schedule for usage of its facilities during the pilot project; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1905, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1905, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 297-00 Education on H.B. No. 2566

The purpose of this bill is to clarify the structure of the Hawaii State Library System's (Library) literacy programs, which have been subsumed into a central office of the Library Development Services.

The Library supported this measure.

Your Committee finds that this bill removes unnecessary sections from the Hawaii Revised Statutes (HRS). Section 312-9, HRS, refers to a fund that is no longer under the control of the Library and has been transferred to the Hawaii Community Foundation. The advisory council referred to in Section 312-10, HRS, was never formed, and the corresponding fund was never reported through to the Board of Education, making section 312-10 moot as well. Furthermore, public libraries no longer receive federal funds, which necessarily limits the scope of the Library's literacy efforts.

Your Committee has amended this bill by making technical, nonsubstantive changes for 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. 2566, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2566, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 298-00 Education on H.B. No. 2821

The purpose of this bill is to establish a pilot School-to-Career Program (Pilot-Program) in the Honolulu district high schools.

The Honolulu District School-to-Career Council, Hawaiian Electric Company, and individuals supported this bill. The Hawaii State Teachers Association, Department of Education, and the Hawaii School-to-Work Executive Council supported the intent of this bill.

Your Committee finds that this Pilot Program is a positive step toward engaging students in their studies. School-to-career initiatives are founded on the concept that students learn the most when they are provided with classes that allow them to make significant choices about the direction of their education. The proposed Pilot Program would do that by having students actively participate in their curriculum and by integrating practical skills with more traditional academic learning.

Your Committee has amended this bill by inserting the appropriation amount of \$1 for the purpose of further discussion. Other technical, nonsubstantive amendments have also been made for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2821, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2821, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 299-00 Education on H.B. No. 2915

The purpose of this bill is to improve services to special education students by:

- (1) Limiting the caseload of a Department of Education (DOE) speech pathologist to 40 special education students; and
- (2) Requiring that the actual number of students be based on the type of disability, the severity of disability, and the type and amount of services required by a given speech pathologist's students.

The Hawaii Government Employees Association, Hawaii State Teachers Association, Information Services, Hawaii Speech-Language Hearing Association's Public School Caucus, concerned speech pathologists, and parents submitted testimony in support of this measure.

The DOE submitted testimony in opposition to this measure.

Your Committee finds that the caseloads of speech pathologists have increased to the present unmanageable level, which is often in excess of 75 students per speech pathologist. Such heavy caseloads not only result in the obvious deterioration of service, but also in faculty frustration and burn-out that lead to retention and recruitment difficulties of the DOE. This measure recognizes the positive correlation between the number of students being serviced by a teacher and the effectiveness of those services being rendered.

Your Committee has amended this bill by:

- (1) Adding an appropriation section with the sum of \$1 for purposes of continued discussion;
- (2) Changing the effective date to July 1, 2000; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2915, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2915, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 300-00 Education on H.B. No. 2386

The purpose of this bill is to provide the members of local school boards of new century charter schools with the same immunity from and indemnification for civil liability as persons who are appointed to serve on temporary or permanent state boards, rather than persons who are elected to serve on a board or commission.

In addition, this bill:

- (1) Creates a new collective bargaining unit for all nonsupervisory and supervisory blue-collar and white-collar positions and teachers at new century charter schools;
- (2) Allows collective bargaining agreements reached between the employer and the exclusive representative for the new collective bargaining unit to be in the form of a master agreement for all charter schools or separate agreements for each charter school, or a combination of both; and
- (3) Requires all employees in collective bargaining units (1) to (5), who obtain employment at a charter school, to become part of the new collective bargaining unit upon the expiration of their current employment contracts.

Your Committee received testimony in opposition to the collective bargaining provisions of this bill from the Hawaii State Teachers Association, the Hawaii Government Employees Association, and the Department of Education.

Your Committee has amended this bill by deleting the provisions relating to collective bargaining.

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. 2386, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2386, H.D. 1, and be referred to the Committees on Labor and Public Employment and Finance.

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

SCRep. 301-00 Economic Development and Business Concerns on H.B. No. 2188

The purpose of this bill is to speed up the State's rulemaking process by:

- (1) Ensuring that whenever an administrative rule is adopted, amended, or repealed, the rule conforms to the related statutes;
- (2) Giving the head of the agency affected by administrative rules more accountability for compliance and conformity to statutes;
- (3) Allowing an interested party to appeal the adoption of a rule by filing a petition for regulatory review under the Hawaii Small Business Regulatory Flexibility Act, Act 168, Session Laws of Hawaii (SLH) 1998; and
- (4) Extending the sunset date of the Hawaii Small Business Regulatory Flexibility Act from June 30, 2002, to June 30, 2006.

The General Contractors Association of Hawaii, the Building Industry Association of Hawaii, the Small Business Regulatory Review Board, the Kona-Kohala Chamber of Commerce, the Big Island Business Council, the Hawaii Business League, the Land Use Research Foundation of Hawaii, the Construction Industry Legislative Organization, the National Federation of Independent Business, and the Hawaii Business Roundtable testified in support of this measure. The Chamber of Commerce of Hawaii testified in support of the intent of this measure. The Attorney General and the Hawaii Nurses' Association testified in opposition to this measure. Comments were submitted by the Department of Commerce and Consumer Affairs, the Department of Budget and Finance, the Hawaii Hotel Association, and an individual.

Your Committee believes that this bill furthers efforts to streamline the state regulatory process by allowing a single department head to have the authority to sign off a rule without having to obtain the approval of multiple departments.

Your Committee has amended this bill by:

- (1) Deleting the provision allowing an interested party to appeal the adoption of a rule through filing a petition for regulatory review under the Hawaii Small Business Regulatory Flexibility Act; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2188, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Morihara.

SCRep. 302-00 Economic Development and Business Concerns on H.B. No. 2204

The purpose of this bill is to encourage private sector investment in Hawaii-based ethanol production facilities by providing an income tax credit for the production of fuel grade ethanol produced at a qualifying ethanol production facility in Hawaii.

The Department of Business, Economic Development, and Tourism, Worldwide Energy Group Inc., ED&F Man Alcohol Inc., the 'Aina Institute, Hawaiian Commercial & Sugar Company, and the Hawaii Renewable Energy Alliance testified in support of this measure. The Department of Taxation (DOTAX) and the Western States Petroleum Association testified in opposition to this measure. Comments were submitted by the Tax Foundation of Hawaii and the Clean Fuels Development Coalition.

Your Committee has amended this bill by:

- (1) Deleting the provision that refunds to the taxpayer the excess of tax credit over the taxpayer's income tax liability;
- (2) Deleting the provision that allows DOTAX to adopt rules pursuant to the Hawaii Administrative Procedure Act;
- (3) Sunsetting the bill on June 30, 2010; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2204, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 2204, H.D. 1.

Signed by all members of the Committee except Representatives Morihara.

SCRep. 303-00 Consumer Protection and Commerce on H.B. No. 2252

The purpose of this measure is to amend Hawaii Revised Statutes (HRS) section 247-3 to exempt from the conveyance tax documents or instruments that:

- (1) merely change the identity or form of ownership of realty or any interest therein without changing the beneficial ownership of the realty interest; and
- (2) convey realty or any interest therein to a corporation or partnership which is wholly owned by the transferor; the transferor and the transferor's spouse; or by the transferor, the transferor's spouse, and the transferor's children.

Testimony in support of this measure was submitted by a private law firm.

Testimony in opposition to this measure was submitted by the Tax Foundation of Hawaii.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2252 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, Morita, Takumi, Yoshinaga and Rath.

SCRep. 304-00 Consumer Protection and Commerce on H.B. No. 2392

The purpose of this measure is to require all individual accident and sickness health care policies providing health care coverage, and all group health care contracts issued by health maintenance organizations and mutual benefit societies, to cover outpatient diabetes self-management training, education, equipment, and supplies. This measure amends Chapter 431, Hawaii Revised Statutes, by adding a new section 10A, "Coverage for diabetes" and Chapter 432, Hawaii Revised Statutes, by adding a new section to article 1, entitled "Diabetes coverage."

Testimony in support of this measure was submitted by American Diabetes Association and several concerned citizens.

Testimony in support of this measure, with proposed amendments, was submitted by Department of Health and Queen's Health Management.

Testimony opposing this measure was submitted by the Hawaii Medical Service Association, Kaiser Permanente Hawaii, and State Farm Insurance Companies.

Testimony commenting on this measure was submitted by the Department of Commerce and Consumer Affairs and the Department of Budget and Finance.

Your Committee finds that diabetes is a very serious chronic disease, which affects many people in Hawaii, and is often life threatening. Unfortunately, many people in Hawaii with diabetes have not been able to obtain the necessary diabetic supplies, equipment and access to individualized education programs to be able to manage both the day to day and long term consequences of their diabetes without financial assistance. Nevertheless, your Committee is concerned about the potential impact of the provisions of this bill on health insurance costs.

Your Committee has amended this measure by leaving the effective date blank to ensure further discussion of 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. 2392, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2392, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Morita, Takumi, Yoshinaga and Rath.

SCRep. 305-00 Consumer Protection and Commerce and Judiciary and Hawaiian Affairs on H.B. No. 1935

The purpose of this bill is to allow the Department of Commerce and Consumer Affairs (DCCA) to regulate independent bill reviewers (IBRs). The measure establishes a regulatory scheme that governs the IBR industry and provides for the licensure of IBRs.

Testimony in support of this measure was submitted by the Insurance Division of the DCCA and the Consumer Lawyers of Hawaii.

Testimony in opposition to this measure was submitted by the Hawaii Insurers Council, State Farm Insurance Companies, Argonaut Insurance Company, ADP Integrated Medical Solutions-Hawaii, and a concerned citizen.

Your Committees find that IBRs are an integral part of the insurance industry, and therefore, IBRs should be licensed and regulated as are other aspects of the insurance industry. Your Committees also find that the practice of contingency fees for IBRs should be prohibited.

Your Committees have amended this measure to incorporate technical non-substantive amendments made for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1935, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1935, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Morita, Takumi, Yoshinaga, Halford and Rath.

SCRep. 306-00 Economic Development and Business Concerns on H.B. No. 2443

The purpose of this bill is to encourage greater high technology development ventures in the State by allowing the High Technology Development Corporation (HTDC) to issue special revenue bonds and special facility revenue bonds for the development of high technology projects.

HTDC testified in support of this measure. The Hawaii Technology Trade Association testified in support of the intent of this measure.

Your Committee has amended this bill by making numerous technical, nonsubstantive amendments for clarity, consistency, and style and to conform to drafting requirements.

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. 2443, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as H.B. No. 2443, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Rath.

SCRep. 307-00 Economic Development and Business Concerns and Higher Education and Energy and Environmental Protection on H.B. No. 2500

The purpose of this bill, as received by your Committee, is to consolidate the State's technology activities by:

- (1) Repealing the High Technology Development Corporation (HTDC) under Chapter 206M, Hawaii Revised Statutes (HRS); the Hawaii Strategic Development Corporation (HSDC) under Chapter 211F, HRS; and the Natural Energy Laboratory of Hawaii Authority (NELHA) under Chapter 227D, HRS, and establishing these three agencies and the Energy, Resources, and Technology Division of the Department of Business, Economic Development, and Tourism (DBEDT) under a newly-established Hawaii Technology Development Corporation within DBEDT for administrative purposes;
- (2) Establishing the Hawaii Venture Capital Special Fund for seed capital and venture capital investment in technology development in Hawaii;
- (3) Creating the Hawaii Technology Special Fund for the operations of the newly-established Hawaii Technology Development Corporation; and
- (4) Requiring the Governor to:
 - (a) Select a management team and appoint a representative from the Governor's Office to spearhead the management team to develop transition plans for consolidation so the newly-established Hawaii Technology Development Corporation can be operational by July 1, 2001; and
 - (b) Submit a progress report on the transition plans for consolidation to the Legislature prior to the Regular Session of 2001.

DBEDT submitted testimony in support of this measure. HTDC testified in support of the intent of the measure. The HSDC Board and an individual testified in opposition to the measure. Comments were received from the Governor's Special Advisor of High Technology Development, the Hawaii Island Economic Development Board, and an individual.

Your Committees recognize the advantages of consolidating Hawaii's technology-related agencies and activities under a single agency for greater coordination, efficiency, and cost-effectiveness. However, it is your Committees' belief that any such action must be conducted in an organized and well-thought manner, and, therefore, planning is essential to this effort.

Upon consideration, your Committees have amended this bill by deleting its substance and inserting new material, the purpose of which is to require the Governor's Special Advisor of High Technology Development to:

- (1) Develop a plan to organize DBEDT's Energy, Resources, and Technology Division into what will become the newly-established High Technology Development Corporation; and
- (2) Submit the plan, recommendations, and report of the actions taken pursuant to this bill to the Legislature prior to the convening of the Regular Session of 2001.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Higher Education 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. 2500, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2500, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kaho'ohalahala, Kanohe, Okamura, Santiago, Stegmaier, Halford, McDermott and Meyer.

SCRep. 308-00 Human Services and Housing and Health on H.B. No. 2105

The purpose of this bill is to create the Special Needs Housing Special Fund to be used for supportive housing for persons with mental illness and substance addiction in the homeless population.

The Mental Health Association in Hawaii, American Association of Retired Persons, Institute For Human Services, Inc., and the Affordable Housing and Homeless Alliance submitted testimony in support of the bill. The Department of Health and the Housing and Community Development Corporation of Hawaii supported the intent of the bill insofar as it does not replace budgetary priorities in the Executive Supplemental Budget.

Your Committees find that current facilities and programs that provide special needs housing for persons with mental illness and substance abuse additions have neither the funds nor the capacity to offer services to all those in need. The cost of using mainstream public support systems, such as prisons, hospitals, and emergency rooms, as the primary mechanism for treating these persons, exceed the cost of outright treatment by tens of thousands of dollars per capita per year. This measure supports the linking of housing services with mental health substance abuse treatment.

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. 2105 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 309-00 Human Services and Housing on H.B. No. 536

The purpose of this bill is to enhance and develop early childhood education and care services by:

- (1) Making the Good Beginnings Alliance (GBA) a permanent coordinating structure; and
- (2) Establishing the Governor's Commission on Early Childhood Education and Care (Commission).

The Hawaii Family Support Center, the Hawaii Chapter of the American Academy of Pediatrics, the Hawaii Association for the Education of Young Children, the Center for Disabilities Studies, Kauai Independent Daycare Services, and People Attentive to Children testified in support of this measure. One individual supported this measure with amendments. The Department of Education testified in support of the intent of this measure. The Department of Health testified in opposition to the establishment of the Commission. The Governor's Office opposed this measure. GBA and one individual submitted comments.

Your Committee finds that GBA is truly the link and focal point for policy development, disbursement of public funds, and implementation of early childhood community plans, and believes that through GBA, the Legislature will be able to continue to monitor the development of a coordinated system that is dedicated to enhancing and developing early childhood education and care services.

Your Committee would like to see early childhood education and care and quality child care elevated as a priority for the State, and is counting on GBA to achieve this goal.

Your Committee has amended this measure by:

- (1) Extending the life of GBA to 2010, thereby allowing GBA to maintain flexibility to address the Board of Directors (Board) and Interdepartmental Council (Council) membership according to current needs and areas of focus, as well as periodically provide an ongoing avenue for necessary dialogue and interaction;
- (2) Deleting the Commission;
- (3) Expanding the representation of the Council by adding representatives from the business and philanthropic communities;
- (4) Expanding the membership of the Board by adding members from the University of Hawaii, the American Academy of Pediatrics, the early intervention community, an early childhood resource and referral agency, and Head Start; 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. 536, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 536, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Stegmaier.

SCRep. 310-00 Human Services and Housing on H.B. No. 537

The purpose of this bill is to provide homeless children the preschool education they deserve by appropriating funds to the Homeless Assistance Division of the Housing and Community Development Corporation of Hawaii (Corporation) to establish preschool programs for homeless families.

The Institute for Human Services, the Hawaii Catholic Conference, the Good Beginnings Alliance, the Affordable Housing and Homeless Alliance, and several individuals testified in support of this measure. The Corporation testified in support of the intent of this measure, provided that it does not replace or adversely impact priorities in the State's Executive Supplemental Budget.

Your Committee finds that this measure will help children of homeless families receive the much-needed assistance to succeed. An investment in these children now would be a significant savings in special needs later.

Your Committee has amended this measure by:

- (1) Encouraging the Corporation to collaborate with the Departments of Human Services and Health and Head Start to:
 - (A) Develop funding and program alternatives for preschool programs for homeless families; and
 - (B) Consider mobile preschool programs (non-shelter based) and family home care;
- 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. 537, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 537, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 311-00 Human Services and Housing on H.B. No. 1834

The purpose of this bill is to continue the work of the Joint Legislative Committee on Long-term Care Financing (Joint Legislative Committee) by:

- (1) Extending the life of the Joint Legislative Committee to June 30, 2002;
- (2) Clarifying requirements for the actuarial study;
- (3) Extending the completion date of the actuarial study to November 15, 2001; and
- (4) Making appropriations to fund the actuarial study and the Joint Legislative Committee expenses.

The Executive Office on Aging (EOA), the Hawaii State Commission on the Status of Women, the Hawaii Long Term Care Association, the Coalition for Affordable Long Term Care, the American Association of Retired Persons Hawaii State Legislative Committee, the Kokua Council, Faith Action for Community Equity, the Policy Advisory Board for Elder Affairs, the ILWU Local 142, and the Hawaii Nurses' Association testified in support of this measure. The Department of Commerce and Consumer Affairs submitted comments.

Within the past eighteen months, the Joint Legislative Committee has made significant accomplishments, including the regulation and required recordkeeping of the long-term care insurance industry using model regulations from the National Association of Insurance Commissioners. However, the Joint Legislative Committee still has unfinished business of devising a financial program for long-term care.

According to projections from EOA, by 2010, the number of persons aged sixty and over will reach approximately 299,500. By 2020, one in every four of Hawaii's residents will be sixty years of age or older. Your Committee finds that it is imperative that the Joint Legislative Committee continue its vital work to ensure that a financing plan for long-term care insurance is available for the increasing number of Hawaii's elderly and disabled.

Your Committee has amended this measure by:

- (1) Requiring that the actuarial study be limited to the number of alternatives that can be supported by the funds appropriated;
- (2) Requiring that the actuarial study consider the Front-end Universal Program in which coverage would begin with, among other things, the first two and a half years, instead of two years, of nursing home care or a comparable type of care;
- (3) Requiring that the actuarial study consider the Back-end Universal Program in which coverage would begin on the 91st day, instead of the 366th day, of disability;
- (4) Appropriating \$200,000 to fund the actuarial study;
- (5) Designating the Legislature, instead of the Joint Legislative Committee, as the expending agency for the actuarial study; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1834, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1834, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 312-00 Judiciary and Hawaiian Affairs on H.B. No. 2208

The purpose of this bill is to exempt counties from a requirement that public notices be published in a daily or weekly publication selected by the State comptroller, unless the notice is required by the public procurement code or for purchase of health and human services.

Testimony in support of the bill was provided by the County of Hawaii Department of Civil Service, County of Hawaii Office of Corporation Counsel, County of Hawaii Office of the County Clerk, County of Hawaii Department of Finance, County of Hawaii Planning Department, County of Maui Office of the Mayor, County of Maui County Council, and the Hawaii Newspaper Agency.

Testimony in opposition to the bill was provided by the State of Hawaii Department of Accounting and General Services (Comptroller), and a concerned individual.

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. 2208 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, Garcia, Hiraki, Yoshinaga, Pendleton and Whalen.

SCRep. 313-00 Judiciary and Hawaiian Affairs on H.B. No. 2504

The purpose of this bill is to grant the chairman of the Hawaiian Homes Commission authority to extend employment contracts of individual employees beyond the six-year limitation stated in section 202(b) of the Hawaiian Homes Commission Act, 1920, as amended.

Testimony in support of this bill was provided by the State of Hawaii Department of Hawaiian Home Lands. The State Council of Hawaiian Homestead Associations testified in support of the intent of this measure.

Your Committee finds this bill to be consistent with the practice in other State agencies with exempt employees, where the determination whether services and positions are critical to operations is made without the approval of the governor.

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. 2504 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 314-00 Judiciary and Hawaiian Affairs on H.B. No. 2505

The purpose of this measure is to clarify that the Housing and Community Development Corporation of Hawaii and mortgage lenders contracted to provide mortgage financing are authorized to provide project-based Hula Mae funds for developments on Hawaiian home lands.

Testimony in support of this bill was provided by the Department of Hawaiian Home Lands. Testimony in support of the intent of this bill was provided by the Housing and Community Development Corporation of Hawaii and the State Council of Hawaiian Homestead Associations.

Your Committee finds this measure will eliminate uncertainty as to whether Hula Mae mortgage funds can be set aside for housing projects on Hawaiian home lands.

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. 2505 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 315-00 Judiciary and Hawaiian Affairs on H.B. No. 2501

The purpose of this bill is to allow the Department of Hawaiian Home Lands to establish interest rates by administrative rule, rather than by following a statutory interest rate schedule.

Testimony in support of this bill was provided by the State of Hawaii Department of Hawaiian Home Lands and the State Council of Hawaiian Homestead Associations.

Your Committee finds that authorizing the Department of Hawaiian Home Lands to adjust interest rates based on the marketplace and on lessees' needs will generate additional income for the Hawaiian Home Loan Fund, and will allow those who can afford to pay to be charged market rates, leaving more funds available for loan to lessees of more limited means.

Your Committee amended this bill by lowering the annual minimum interest rate from "two and one-half per cent" to "zero per cent" to allow the Department of Hawaiian Home Lands discretion to offer no-interest loans.

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. 2501, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2501, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 316-00 Agriculture and Water and Land Use on H.B. No. 2400

The purpose of this bill is to allow more time to develop the State Agricultural Water Use and Development Plan (Plan) by extending until prior to the 2002 Regular Session, the submittal of the Plan to the Legislature.

The Department of Agriculture (DOA), the Department of Land and Natural Resources, and the Hawaii Farm Bureau Federation testified in support of this measure. Comments were submitted by the Big Island Farm Bureau.

Your Committees note that Act 101, Session Laws of Hawaii 1998, mandated the development of the Plan, but since then, there have been no funds appropriated to develop the Plan. Your Committees do recognize that DOA has been working on the Plan using existing resources by working with staff of the Commission on Water Resource Management at DLNR. However, progress has been slow.

Accordingly, your Committees have amended this bill by:

- (1) Including an appropriation of \$100,000 for fiscal year 2000-2001 to expedite development and completion of the Plan;
- (2) Making DOA the expending agency of the appropriation; and
- (3) Changing the effective date to July 1, 2000.

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. 2400, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2400, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Garcia, Herkes, Ito, Kanoho, Luke, Morihara and Rath.

SCRep. 317-00 Agriculture on H.B. No. 2791

The purpose of this bill is to ensure the viability of the papaya industry by appropriating funds to support the papaya industry on the island of Hawaii.

The Hawaii Papaya Industry Association testified in support of this bill. The Department of Agriculture (DOA) testified in support of the bill, provided that the bill does not replace or adversely affect the priorities indicated in DOA's Executive Biennium Budget. The University of Hawaii College of Tropical Agriculture and Human Resources submitted comments on the bill.

Your Committee recognizes the importance of funding research and control efforts to contain the devastation caused by pests to the State's papaya industry.

Upon consideration, your Committee has amended this bill by:

- (1) Broadening the scope of the appropriation to make it applicable to papaya research and the control of pests that afflict the papaya industry statewide;
- (2) Inserting the appropriation sum of \$1 to facilitate further discussion on the financial aspect of the bill; and
- (3) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2791, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2791, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Morihara, Halford and Rath.

SCRep. 318-00 Agriculture on H.B. No. 2995

The purpose of this bill, as received by your Committee, is to recognize organic agriculture in the State by requiring the Department of Agriculture (DOA) to compile statistics on organic agriculture.

The Big Island Farm Bureau, the Hawaii Organic Farmers Association (HOFA), and the HOFA Certification Program testified in support of this bill. Comments were submitted by DOA, which indicated in its testimony that it supports the concept of the State proceeding to establish its own criteria for "certified organic" that can be used for data collection, reporting, and other purposes.

Your Committee notes that federal standards for "certified organic" have not yet been organized, and without a uniform standard, DOA does not have a basis for determining which producers will officially qualify to be considered "certified organic."

Upon careful consideration, your Committee has amended this bill by deleting the substance and inserting new material, the purpose of which is to:

- (1) Require DOA to:
 - (A) Define standards for organically produced agricultural products;
 - (B) Establish requirements for accreditation and registration of certifying agents;
 - (C) Establish requirements for labeling of organically produced products; and
 - (D) Establish any other requirements necessary to enforce the law relating to organically produced agricultural products;
- (2) Requiring DOA to develop procedures for an accreditation process to certify agents who will certify persons whose organically produced agricultural products are sold in the State or shipped from the State for sale elsewhere;
- (3) Establishing labeling requirements for organically produced agricultural products; and
- (4) Establishing administrative penalties for violating the law relating to organically produced agricultural 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. 2995, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2995, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Ito, Morihara and Rath.

SCRep. 319-00 Health on H.B. No. 1387

The purpose of this bill, as received by your Committee, is to allow advanced practice registered nurses (APRN) to practice psychotherapy.

Your Committee heard this measure during the 1999 Regular Session and recommended that it be held. Subsequently, this measure was carried over to the 2000 Regular Session, and for purposes of discussion and public hearing, your Committee circulated a proposed H.D. 1 version of this bill. The proposed H.D. 1. version would have:

- (1) Required one registered nurse member of the Board of Nursing (Board) to be an APRN; and
- (2) Replaced one of two licensed practical nurse Board members, upon first vacancy after the effective date of the Act, with a registered nurse Board member.

The Board and the Hawaii Nurses' Association testified in support of the proposed draft.

Upon further consideration, your Committee has amended this measure by incorporating the amendments made in the proposed H.D.1.

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. 1387, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1387, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Kawakami.

SCRep. 320-00 Health on H.B. No. 1934

The purpose of this bill is to facilitate treatment of certain eye conditions and diseases with therapeutic pharmaceutical agents (TPA) by optometrists by:

- (1) Abolishing the Joint Formulary Advisory Committee (Formulary Committee), thereby establishing the Board of Examiners in Optometry's (Board) independent role in regulating optometrists' prescription of TPA; and
- (2) Allowing optometrists to prescribe an approved TPA in any approved form.

The Board, the Hawaii Optometric Association, and numerous individuals testified in support of this measure. The Hawaii Medical Association, the Hawaii Psychiatric Medical Association, the Hawaii Ophthalmological Society, and several individuals opposed this measure.

Act 292, Session Laws of Hawaii (SLH) 1996, authorized optometrists to treat certain eye conditions and infections with topical TPAs. Act 292, SLH 1996, also established the Formulary Committee and required the Board to adopt the Formulary Committee's recommended topical TPAs for prescription by optometrists. Your Committee finds that there has been insufficient time to determine the efficacy of this policy due to the Formulary Committee's delay in approving topical TPAs.

Your Committee is hesitant to allow optometrists to prescribe any TPA in any approved form, especially in light of the lack of evidence as to the effect of optometrist's prescribing topical TPAs. Your Committee, however, is cognizant to the restrictiveness of Hawaii's TPA laws in comparison to the nation, but feels that this discussion falls under the jurisdiction of the Committee on Consumer Protection and Commerce.

Your Committee has amended this measure by:

- (1) Authorizing the Formulary Committee to recommend, instead of establish, the formulary for topical TPAs to the Board;
- (2) Reverting back to the current law that allows optometrists to prescribe only topical TPAs; 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. 1934, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1934, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

SCRep. 321-00 Health on H.B. No. 2532

The purpose of the bill is to authorize the Hawaii Health Systems Corporation (HHSC) to issue bonds. More specifically, this bill:

- (1) Authorizes HHSC to issue revenue bonds for \$38,000,000;
- (2) Authorizes the Department of Budget and Finance (B&F) to guarantee the bonds;
- (3) Appropriates the funds for plans, site development, construction, equipment, and furnishings to include a diagnostic and progressive care center adjacent to Maui Memorial Medical Center (Medical Center); and
- (4) Clarifies HHSC's powers not to dispose all or substantially all of its property.

B&F, the Medical Center, The Chamber of Commerce of Hawaii, and the Maui Region Public Health Facility Management Advisory Committee submitted testimony in support of this measure. The Hawaii Government Employees Association submitted testimony in support of the general purpose of this bill

Your Committee finds that the Medical Center, the only acute inpatient care facility on Maui, needs to improve its infrastructure to focus on preventive care, outpatient, and ambulatory services. In the present health care environment, such services are necessary for the survival of the Medical Center. The revenue bonds, without a guaranty by the State, are not issuable by the HHSC.

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. 2532 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 322-00 Health and Education on H.B. No. 2874

The purpose of this bill is to appropriate funds to provide substance abuse treatment, counseling, and intervention services for students at Waipahu High School.

The Community Alliance on Prisons submitted testimony in strong support of this bill. The Department of Health submitted testimony in support of this bill with the reservation that the funds in this bill do not adversely affect its executive supplemental budget request.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2874 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 323-00 Water and Land Use on H.B. No. 2052

The purpose of this bill is to amend Chapter 520 of the Hawaii Revised Statutes to include that a trespasser entering private land for any purpose would be included under the definition of recreational user for the purpose of landowner liability.

The Department of Land and Natural Resources testified in support of this bill.

The Consumer Lawyers of Hawaii (CLH) testified in opposition of this bill.

Your Committee finds that Chapter 520, Hawaii Revised Statutes, was enacted to encourage landowners to make land and water areas available to the public for recreational purposes. However, the lessened liability provided by Chapter 520 does not apply if an injured person was merely trespassing on a private road or bridge, as opposed to using for recreational purposes. To promote the purposes of Chapter 520, the Legislature finds that there is no basis for differentiation between a trespasser and a recreational user under these circumstances.

Your Committee urges that the Committee on Judiciary and Hawaiian Affairs carefully review CLH's concern that this bill potentially creates conflict within the recreational use statute regarding its purpose and interpretation and the applicability of the "principal of attractive nuisance".

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. 2052 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 Schatz.

SCRep. 324-00 Water and Land Use on H.B. No. 2573

The purpose of this bill is to deposit moneys collected from lessees of public lands within industrial parks into the Special Land and Development Fund and to authorize the transfer of fees and fines pursuant to chapter 183C, Hawaii Revised Statutes, into the Special Land and Development Fund. This bill also abolishes the Industrial Park Special Fund and transfers the fund balance and liabilities to the Special Land and Development Fund.

The Department of Land and Natural Resources (DLNR) testified in support of this bill.

No testimony in opposition to the bill was received.

Your Committee finds that in response to the current fiscal condition of the State and the need to generate general fund savings, DLNR is proposing to convert its Land Division operating budget, including all personnel, from general to special funds. This bill makes the statutory changes necessary to implement this plan and accompanies the Administration's budget request to convert this program to special funds.

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. 2573 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia.

SCRep. 325-00 Water and Land Use on H.B. No. 2263

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources (DLNR) to match federal funds for the Hawaii Forestry and Communities Initiative.

Testimony in support of this bill was submitted by the DLNR, the Department of Agriculture, the Hawaii Society of American Foresters, the Hawaii Forest Industry Association, The Nature Conservancy of Hawaii, and the Hawaii Farm Bureau Federation.

The Department of Hawaiian Home Lands also testified in support, provided that the appropriation does not replace or adversely impact priorities in the Executive Biennium budget. The Department of Labor and Industrial Relations testified in support of the intent of this measure.

Your Committee finds that the State has received a \$200,000 grant from the U.S. Forest Service to continue the Hawaii Forestry and Communities Initiative efforts. This grant requires a 50-50 match. Accordingly, your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$200,000; and
- (2) Including matching funds from the private sector.

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. 2263, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2263, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 326-00 Labor and Public Employment on H.B. No. 2553

The purpose of this bill is to provide a special transfer of funds to Hawaii for federal fiscal years ending 2000, 2001, and 2002, in accordance with the federal Balanced Budget Act (BBA) of 1997.

These fund transfers, called "Reed Act" distributions, are made whenever the federal Unemployment Trust Fund accounts exceed their statutory ceilings. The BBA also specified that these excess funds be used exclusively for administrative expenses, deleted provisions requiring states to enact a state appropriation law to address the use of the funds, and limited the period within which the funds must be obligated.

Your Committee finds that this bill will ensure that the State will receive its share of Reed Act funding for unemployment insurance administrative expenses. Hawaii's share of the Reed Act transfer for federal fiscal year 2000 was \$614,065. For each of fiscal years 2001 and 2002, Hawaii's portion of the distribution is estimated at \$997,618.

The Department of Labor and Industrial Relations testified in support of this measure, noting that it intends to use the Reed Act funding to support the Unemployment Insurance Division's ongoing efforts to implement an interactive voice response system. This would enable claimants to file claims and weekly certifications by telephone.

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. 2553 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 Takai.

SCRep. 327-00 Labor and Public Employment on H.B. No. 2555

The purpose of this bill is to clarify that administrative expenses for the protection and preservation of the Workers' Compensation Special Compensation Fund (Fund) shall be paid from the Fund.

Testimony in support of this measure was received from the Department of Labor and Industrial Relations (DLIR). DLIR explained that the workers' compensation law currently provides for the payment of litigation expenses from the Fund. Further, administrative expenses for the protection and preservation of the Fund should also be paid from the Fund. For example, administrative expenses are incurred in:

- (1) Adjusting claims in delinquent employer cases in which the Fund is responsible for benefit payments to claimants and payment for medical services; and
- (2) Processing benefit checks to claimants entitled to benefits from the Fund.

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. 2555 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 Takai.

SCRep. 328-00 Labor and Public Employment on H.B. No. 2560

The purpose of this bill is to improve the operation of the Hoisting Machine Operators Advisory Board (Board) by:

- (1) Placing the Board within the Department of Labor and Industrial Relations (DLIR) for administrative purposes; and
- (2) Clarifying that the Board's executive director shall be selected by the Board and be exempt from state civil service and compensation laws.

Testimony in support of this measure was submitted by DLIR. The Board currently has oversight responsibility over the Hawaii Occupational Safety and Health Division's (HIOSH) actions and certification regarding hoisting machines and their operators. DLIR explained that there would be a conflict if HIOSH were to select the executive director.

The executive director position is funded through the assessment fees imposed for the certification of the operators. DLIR further explained that the proposed measure provides the Board with the responsibility to hire and retain the executive director position without risking financial exposure for the State if the certification fees are insufficient to pay for the cost of this position.

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. 2560 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 Takai.

SCRep. 329-00 Labor and Public Employment on H.B. No. 2557

The purpose of this bill is to facilitate the disclosure of records relating to the administration and enforcement of the occupational safety and health laws in a manner that will protect the privacy of individuals, ensure that workers' have safe and healthful places of employment, preserve the mission of the department, and preserve scarce state resources for protection of life and health.

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

The intent of the present law is unclear regarding disclosure of certain records in a civil action arising from matters mentioned in such records.

This bill clarifies that all information, except that which is protected by law such as for privacy, business trade and business secrets, and witness confidentiality, can be disclosed after the case has been administratively closed and the information will not compromise worker safety and health.

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. 2557 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 Takai.

SCRep. 330-00 Labor and Public Employment on H.B. No. 2558

The purpose of this bill is to facilitate disclosure of records, while protecting individual privacy rights, related to boiler and elevator law proceedings by:

- (1) Preventing the disclosure of inspection and investigatory records prepared or compiled for enforcement or administration purposes while a proceeding is pending or ongoing;
- (2) Prohibit the disclosure of witnesses and confidential sources; and
- (3) Prevent the testimony of compliance officers as witnesses in proceedings other than those for the enforcement or administration of boiler and elevator safety laws.

The Department of Labor and Industrial Relations testified in support of this bill.

Your Committee finds that this bill mirrors the federal Freedom of Information Act, permitting disclosure of government records while still protecting individual privacy rights. This measure ensures that the public will be protected from unsafe equipment, fulfilling the State's mission to protect life and health.

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. 2558 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 Takai.

SCRep. 331-00 Labor and Public Employment on H.B. No. 2561

The purpose of this bill is to broaden the scope of the criminal history check for persons who wish to use, store, or deal with explosives by allowing the Department of Labor & Industrial Relations (DLIR) to obtain national criminal background checks before issuing a certificate of fitness for users, dealers, and storsers of explosives.

DLIR testified in favor of this measure.

Your Committee finds that currently DLIR has access to state criminal background checks only. Your Committee recognizes that most applicants are from out of state and, therefore, a local criminal history check is not sufficient to ensure the safety of the public.

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. 2561 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2561, 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 Takai.

SCRep. 332-00 Energy and Environmental Protection on H.B. No. 1884

The purpose of this bill is to enhance the development of alternative energy in the State. This bill establishes a two-year net energy metering project within the Public Utilities Commission (PUC).

Net metering allows consumers to offset the cost of electricity they buy from a utility by selling renewable electric power generated at their homes or businesses. In essence, a customer's electric meter can run both forward and backward in the same metering period, and the customer is only charged for the net amount of power used.

The Hawaii Renewable Energy Alliance, the Apollo Energy Corporation, Life of the Land, Malama o Manoa, a member of the Maui County Council, and one individual testified in support of this measure. The Department of Business, Economic Development, and Tourism and the Sierra Club, Hawaii Chapter, supported the intent of this bill. The PUC, the Consumer Advocate, Kauai Electric, and Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company opposed passage of this measure.

Some testified that Chapter 269, Hawaii Revised Statutes, already provides for a net energy metering program. However, others indicated that Hawaii's program differs from those in other states, because Hawaii requires two meters:

- (1) One meter to measure the electricity supplied by a utility; and
- (2) A second meter to measure the electricity generated by an eligible customer-generator and fed back to the utility.

Your Committee recognizes that H.B. No. 2701 establishes a renewable energy demonstration project in the Department of Education (DOE). As part of this project, photovoltaic systems and energy storage devices will be installed in selected public schools. In order to measure net electricity flow, the participating public schools may use single, reversible, non-time-differentiated meters.

This demonstration project represents an ideal opportunity for the PUC to gather important data on the use of net metering. Accordingly, your Committee has amended this bill by:

- (1) Deleting the requirement that the PUC select a utility to participate in its net metering pilot project;
- (2) Directing the PUC to instead gather data on net metering by studying its use in DOE's renewable energy demonstration project;
- (3) Requiring the DOE to assist the PUC in its study; and
- (4) Making technical, nonsubstantive amendments for the purpose of consistency.

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. 1884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1884, 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 Kanoho.

SCRep. 333-00 Energy and Environmental Protection on H.B. No. 2329

The purpose of this bill is to reduce Hawaii's dependence on petroleum by repealing the sunset date for the income tax credit relating to only solar energy systems. This tax credit is currently scheduled to sunset on July 1, 2003.

The County of Kauai Office of Economic Development, the Hawaii Renewable Energy Alliance, and Na Leo Pohai testified in support of this bill. The Department of Taxation opposed passage of this measure. The Hawaii Solar Energy Association, the Hawaiian Electric Company and its subsidiary utilities, Hawaii Electric Light Company and Maui Electric Company, and the Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Establishing a sunset date of July 1, 2010, for the tax credit for solar energy systems, instead of repealing the sunset date in its entirety. This would tie in with the President's Million Solar Roofs Initiative which seeks to install new solar systems on a million roofs between now and 2010;
- (2) Extending the sunset date for the tax credits relating to wind energy systems, heat pumps, and ice storage systems to July 1, 2010. These tax credits are also scheduled to sunset on July 1, 2003; and
- (3) Inserting language from H.B. No. 2548, which was heard by your Committee on February 14, 2000, requiring all new single-family residential homes to be built with either solar water heaters or heat pumps. An alternative water heating system may be used when both a heat pump electric water heating system and a solar water heating system have a simple payback period greater than ten years when compared to the alternative system. These provisions will take effect on July 1, 2010, to coincide with the sunset of the energy conservation tax credits.

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. 2329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2329, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho.

SCRep. 334-00 Energy and Environmental Protection on H.B. No. 3021

The purpose of this bill is to protect Hawaii's groundwater and drinking water from contamination by methyl tertiary-butyl ether (MTBE) by prohibiting the sale of gasoline containing MTBE for use in motor vehicles after July 1, 2001.

The Department of Health (DOH), the Board of Water Supply, Life of the Land, Chevron, the Sierra Club, Hawaii Chapter, and two individuals testified in support of this bill.

MTBE is an oxygenate used to meet oxygen levels mandated by the 1990 federal Clean Air Act Amendments. Oxygenates are principally added to gasoline to reduce emissions in areas which have failed to meet federal air quality standards.

According to the DOH, MTBE is known to have contaminated extensive drinking water and groundwater resources nationally. An EPA-appointed Clean Air Act Advisory Committee Panel on Oxygenate Use in Gasoline recognized that MTBE can pose risks to drinking water supplies; accordingly, "the use of MTBE should be reduced substantially." Relatedly, California has announced a phase-out of MTBE in California gasoline by 2002.

In Hawaii, a 1997 DOH survey indicated that MTBE had been used in the past in the formulation of gasoline at an Oahu refinery. All major gasoline retailers and the Department of Defense facilities have most likely stored and sold gasoline sold by this refinery. The survey also indicated that importation of gasoline into Hawaii containing MTBE had occurred in 1997.

Since January, 1999, the DOH has required testing for MTBE at active leaking underground storage tank facilities. Currently, the DOH has detected MTBE in the soil or groundwater adjacent to 24 underground storage tank facilities. One of these facilities, the Halawa Medium Security Correctional Facility, has reported MTBE above the DOH's action level.

The DOH has tested 33 groundwater sources (out of 430 groundwater sources) serving public water systems for MTBE. None were found to contain MTBE.

Recognizing MTBE's potential to cause significant harm on the public health and environment, your Committee has amended this bill by:

- (1) Establishing a fine of \$25,000 or treble the cost of cleaning up the contamination, whichever is greater;
- (2) Requiring that any fines be deposited into the Emergency Response Revolving Fund; and
- (3) Making technical, nonsubstantive amendments for the purpose of consistency.

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. 3021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3021, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 335-00 Ocean Recreation and Marine Resources on H.B. No. 2426

The purpose of this bill is to clarify the provisions of the Coastal Zone Management (CZM) Act (Chapter 205A, Hawaii Revised Statutes). Among other things, this bill:

- (1) Makes clear that it is only the lead agency that is responsible for maintaining a public advisory body, and that the body is advisory to the lead agency and to the CZM Program;
- (2) Repeals the marine and coastal zone management advisory group;
- (3) Establishes the State Coastal Zone Special Fund to allow the Program to retain fees, fines, and moneys directed to the Program by non-state sources;
- (4) Clarifies exempt activities under the definition of "development";
- (5) Increases the cost threshold for development permits;
- (6) Increases the penalties relating to special management areas and shoreline setbacks; and
- (7) Clarifies the policies to make them consistent with the practical intent and purpose of CZM.

The County of Hawaii Planning Department, the County of Maui Department of Planning, and the Office of Planning (OP) testified in support of this bill. The Land Use Research Foundation of Hawaii supported this bill with reservations.

Your Committee has amended this bill by:

- (1) Specifying the composition and duties of the new public advisory body; and
- (2) Making technical, nonsubstantive changes for purposes of consistency.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2426, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia and Kanoho.

SCRep. 336-00 Consumer Protection and Commerce and Judiciary and Hawaiian Affairs on H.B. No. 2034

The purpose of this bill is to create a cigarette stamp tax requirement to insure that state cigarette excise taxes are paid. This measure includes provisions for civil and criminal penalties and enforcement.

Your Committees find that a cigarette stamp tax would provide a greater assurance that state cigarette taxes are paid and curtail youth access to illegal cigarettes.

Testimony was received in support of this measure from the Department of Health, Tax Foundation of Hawaii, Hawaii Food Industry Association, and Hawaii Nurses' Association. The Coalition for a Tobacco Free Hawaii and the American Cancer Society support the intent of the bill. The City and County of Honolulu Liquor Commission opposed the portion of the bill which seeks to mandate and task them with the enforcement of the cigarette tax stamp.

Your Committees, following further discussions with the Department of Health and the Department of the Attorney General(AG), have amended this measure by:

- (1) placing the enforcement responsibility for the cigarette tax stamp on the AG;
- (2) deleting all references to enforcement by the county liquor boards;

- (3) changing the appropriation amount in section 10 from \$405,500 to \$404,500 to accurately reflect the appropriated amount;
- (4) deleting the appropriation for FY 2002-2003 to reflect the general practice of the legislature which does not appropriate funds in fiscal years following the current fiscal biennium; and
- (5) deleting the effective date to ensure continued discussion on this measure.

Furthermore, your Committees recommend that when the Finance Committee reviews this bill, it should consider the feasibility of utilizing Tobacco Settlement Fund monies to implement enforcement of the provisions of this measure.

Technical non-substantive amendments have been made for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2034, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2034, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Herkes, Morita, Takumi, Yoshinaga, Pendleton and Rath.

SCRep. 337-00 Consumer Protection and Commerce and Labor and Public Employment on H.B. No. 2877

The purpose of this measure is to require that the retention rate imposed upon subcontractors shall be equal to the retention rate imposed upon their prime contractor by the State, provided that the subcontractor possess a performance and payment bond or another mutually agreeable form of collateral.

Testimony in support of this measure was submitted by the Building Industry Association of Hawaii, General Contractors Association of Hawaii, Subcontractors Association of Hawaii, Plumbing & Mechanical Contractors Association of Hawaii, Hawaiian Surety Association, Construction Industry Legislative Organization, Inc., and Hidano Construction, Inc.

Testimony in opposition to this measure was submitted by the Hawaii Electricians Market Enhancement Program Fund.

Your Committees find that this measure represents the collaborative efforts of the construction industry to deal with the issue of retainage amounts withheld on state contracts.

Your Committees have amended this measure to incorporate technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Labor and Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2877, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2877, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chang, Garcia, Goodenow, Herkes, Hiraki, Kaho'ohalahala, Okamura, Saiki, Takai and Takumi.

SCRep. 338-00 Consumer Protection and Commerce on H.B. No. 2833

The purpose of this measure is to permit an insured to direct an insurer to reimburse a dental provider, regardless of whether the provider is a participating provider with the insurer.

Testimony in support of this measure was submitted by the Hawaii Dental Association, Kaneohe Family Dental Care, Stephen K. Miyagi, D.D.S., Neil C. Nunokawa, D.D.S., and a concerned citizen.

Testimony in opposition to this measure was submitted by HGEA/AFSCME Local 152, AFL-CIO, Hawaii Medical Service Association, Liberty House, and Legislative Information Services of Hawaii.

Your Committee has strong concerns regarding the impact that this measure will have on health care costs. Nevertheless, this measure raises important issues that merit further consideration. Accordingly, your Committee has amended this measure to leave the effective date blank, thereby ensuring that discussions on this bill will continue.

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. 2833, 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. 2833, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Garcia, Hiraki, Takumi, Yoshinaga, Halford and Whalen.
(Representatives Herkes and Rath voted no.)

SCRep. 339-00 Consumer Protection and Commerce on H.B. No. 2352

The purpose of this measure is to protect service contract holders in this state by creating a regulatory framework governing the provision of all types of service contracts to consumers.

Your Committee received testimony supporting this measure from the Office of Consumer Protection (OCP) of the Department of Commerce and Consumer Affairs, Insurance Division of DCCA (Insurance Division), and the Service Contract Industry Council (SCIC). The Insurance Division and SCIC suggested amendments. Testimony in opposition to the bill was submitted by the Hawaii Automobile Dealers' Association (HADA) and Insurance Investments.

Your Committee heard testimony that a law is needed to protect consumers and address consumer complaints arising from service contract agreements. Your Committee finds that any service contract law must be clear, comprehensive, and uniform with the laws of other states.

During the 1999 legislative session, your Committee assisted in the formation of a group composed of representatives of the OCP, Insurance Division, HADA, and the Retail Merchants of Hawaii (RMH), for the purpose of developing the needed comprehensive legislation that addressed the concerns of both providers and consumers. Your Committee understands, however, that HADA believes there was insufficient time to fully evaluate the bill and participate in its drafting. In addition, testimony submitted by SCIC requested a number of amendments to the measure, that includes provisions from the National Association of Insurance Commissioners (NAIC) service contract model act, and provisions developed by OCP.

Your Committee believes service contract legislation can benefit both consumers and the service contract industry, and finds that an essential component of such legislation is its recognition of the interests of all parties concerned. Accordingly, your Committee has amended this measure to replace its contents with the service contract industry's version of the NAIC service contract model act, which includes many of the amendments requested by SCIC.

Your Committee has also made technical, non-substantive amendments for purposes of clarity, consistency, and style, and has replaced the effective date of the measure with a blank to ensure further discussion of the amended bill by all parties concerned.

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. 2352, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2352, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Garcia, Hiraki, Yoshinaga, Halford and Whalen.
(Representatives Rath voted no.)

SCRep. 340-00 Consumer Protection and Commerce on H.B. No. 2472

The purpose of this measure is to incorporate the following amendments into the Hawaii Revised Statutes (HRS) that are "housekeeping" amendments proposed by the Insurance Division of the Department of Commerce and Consumer Affairs:

- (1) create a new section in Article 3 of HRS chapter 431 defining the term "stock insurer" which is already used throughout the insurance code;
- (2) create a new section in Article 10 of HRS chapter 431 regarding general notice of cancellation and nonrenewal provision of insurance policies;
- (3) amend HRS section 431:2-209 to allow the Insurance Division to share information with federal agencies and to clarify when certain records may be discarded;
- (4) amend HRS section 431:2-215 to make technical amendments regarding the Insurance Regulation Fund and to clarify the Insurance Commissioner's authority to contract for the employment of professional services;
- (5) amend HRS section 431:7-203 to clarify that a premium tax refund is to be paid out of the general fund which received the premium tax, and not the Insurance Regulation Fund;
- (6) amend HRS section 431:8-302(b) to increase the financial responsibility requirement of unauthorized alien insurers;
- (7) amend HRS sections 431:9-105 and 431:9-201 to properly cite the provision governing adjusters and to clarify the penalty provision for failure to be licensed;
- (8) amend HRS section 431:10B-108(c) to clarify that prima facie rates can be usable without actuarial support provided that a loss ratio for the most recent three years is at least sixty per cent;

- (9) amend HRS section 431:10C-307.7(b) to remove the ambiguity in the definitions of Class C felony and a misdemeanor;
- (10) amend HRS section 431:11-105 to remove the requirement that companies file holding company statements with the National Association of Insurance Commissioners;
- (11) amend HRS section 431:11-111 to make the penalty provisions for failure to file a holding company statement consistent with other penalty provisions in HRS title 24;
- (12) amend HRS section 431:15-335 to clarify that unclaimed funds are to be paid out of the state general fund that receives the unclaimed funds; and
- (13) amend HRS section 432:102(b) to clarify the intent of HRS section 431:2-125 that assesses insurers and entities governed under HRS title 24, including fraternal benefit societies.

Testimony in support of this measure was submitted by the Insurance Division of the Department of Commerce and Consumer Affairs.

Testimony in support of this measure, with proposed amendments, was submitted by the Hawaii Independent Insurance Agents Association.

Testimony commenting on this measure was submitted by the Hawaii State Association of Life Underwriters.

Your Committee has amended this measure to provide a ten day notice for cancellation and a thirty day notice for nonrenewal of a policy. Amounts of the civil penalties, contained in section 9 of this measure, have been left blank to ensure further discussion on the appropriate fines for a violation of this section.

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. 2472, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2472, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Garcia, Hiraki, Takumi, Yoshinaga, Halford and Whalen.

SCRep. 341-00 Judiciary and Hawaiian Affairs on H.B. No. 2650

The purpose of this bill is to amend the 1999 Judiciary appropriations bill to provide operating and capital improvement funds for the Judiciary in fiscal year 2000-2001.

Testimony in support of this measure was received from the Judiciary.

Your Committee finds that the Judiciary's supplemental budget is limited in focus, addressing only the Judiciary's most pressing needs. The requests are consistent with the Judiciary's mission, and respond to public demands to ensure the safety of children and other at-risk persons by providing adequate resources for courtroom staff and support services.

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. 2650 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, Yoshinaga and Whalen.

SCRep. 342-00 Judiciary and Hawaiian Affairs on H.B. No. 2417

The purpose of this bill is to improve current procedures for child support enforcement income withholding orders by:

- (1) Providing a standard format for the income withholding order;
- (2) Allowing the Child Support Enforcement Agency (CSEA) to notify an employer to terminate an order for income withholding; and
- (3) Eliminating the requirement that the order for income withholding be served on an employer by certified or registered mail and establishing that only regular mail is required.

The Attorney General testified in support of the measure.

Your Committee finds that this measure will greatly improve customer service at the CSEA and ensure that CSEA procedures comply with federal 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. 2417 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, Morita, Yoshinaga, Pendleton and Whalen.

SCRep. 343-00 Judiciary and Hawaiian Affairs on H.B. No. 2418

The purpose of this bill is to improve service to the public by changing expiration dates of State civil identification cards to coincide with cardholder birthdays, and to allow renewal by mail for the elderly.

Testimony in support of this measure was received from the State Attorney General, Executive Office on Aging, Policy Advisory Board for Elder Affairs, and Government Efficiency Teams, Inc.

Your Committee finds that the provisions of this bill create a more practical and efficient means of renewing civil identification cards.

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. 2418 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, Takumi, Yoshinaga and Whalen.

SCRep. 344-00 Judiciary and Hawaiian Affairs on H.B. No. 2530

The purpose of this bill is to clarify that the Department of Health (DOH) need only publish notification for public participation in air pollution control matters once in the county affected.

The DOH testified in support of this bill.

Your Committee finds that prior to 1998, the DOH was required to place notification of air pollution control matters in a newspaper which is printed and issued at least twice weekly. However, your Committee finds that as a result of a drafting error in 1998 legislation intended to spur competition among providers of classified advertisement and reduce legal notice costs of the state, the DOH's public notice requirement was altered to mandate public notification at least twice weekly.

Your Committee believes that this change was unintended and that this measure will correct an otherwise onerous and costly duty placed on the department.

Your Committee has amended this bill by making technical, nonsubstantive amendments for 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. 2530, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2530, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Yoshinaga.

SCRep. 345-00 Transportation on H.B. No. 1760

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

Your Committee finds that the driver and front-seat passengers, who are four years of age or older, must be restrained by seat belt assemblies, and that children under the age of four must be restrained in child passenger restraint systems, commonly referred to as car seats. Your Committee further finds that, as a result of vehicle accidents, serious injuries and deaths occur to back-seat passengers who are not utilizing the installed seat belts, since their usage is voluntary, not mandatory.

This bill proposes to require all passengers, ages four and older, to utilize seat belt assemblies, thus extending this mandate to back-seat passengers. This bill also proposes to increase fines from \$20 to \$45 for each violation of mandatory seat belt use.

Testimonies in support of this measure were received from the Department of Transportation, the Department of Health, the Police Department, city and county of Honolulu, the Keiki Injury Prevention Coalition, the Hawai'i Nurses Association, and a citizen whose teen-age daughter died when she was ejected from the rear seat of a motor vehicle when not restrained by a seat belt.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1760 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 346-00 Transportation on H.B. No. 2618

The purpose of this bill is to amend the law relating to the administrative revocation of driver's licenses to include the revocation of all motor vehicle registrations issued to a driver who has been convicted of a previous violation of driving under the influence of intoxicating liquor (section 291-4, Hawaii Revised Statutes) or habitually driving under the influence of intoxicating liquor or drugs (section 291-4.4, Hawaii Revised Statutes) or has a prior alcohol enforcement contact.

In addition, the bill increases the minimum number of hours of community service and minimum jail time for a second conviction under section 291-4.

Your Committee finds that this bill is necessary to meet the requirements of section 5 of the federal TEA-21 Restoration Act, which establishes a new program under Section 164 of Chapter 1, Title 23 U.S.C., encouraging states to enact repeat intoxicated driver laws. Each state's repeat intoxicated driver law must provide, as a minimum penalty for persons convicted of a previous driving under the influence violation, the following:

- (1) A driver's license suspension for not less than one year;
- (2) Vehicle impoundment, immobilization of each of the individual's motor vehicles, or the installation of an ignition interlock system on each of the motor vehicles;
- (3) An assessment of the individual's degree of abuse of alcohol and treatment; and
- (4) Not less than thirty days community service or five days of imprisonment for a second offense; and not less than sixty days community service or ten days of imprisonment for third and subsequent offenses.

Your Committee also finds that states that have not enacted a repeat intoxicated driver law by October 1, 2000, must transfer 1.5 per cent of federal aid highway funds to the state's Section 402 state and community highway safety funds for the first two years. Accordingly, your Committee further finds that if this or a similar bill is not enacted by September 30, 2001, three per cent of the State's federal aid highway funds will be transferred until the State enacts this or similar legislation.

Your Committee has amended the bill by deleting its contents and substituting the contents of H.B. No. 1756, which is similar to the instant measure but contains fewer technical flaws. Upon further consideration, your Committee has amended the contents of the original H.B. No. 1756 as follows:

- (1) At page 2, lines 18-21, added a new section amending the title of part XIV of chapter 286 to include motor vehicle registration;
- (2) At page 3, line 4-14, deleted the definition of "family member" and added definitions of "household member" and "qualified household member" to clarify who may apply for hardship relief as a result of motor vehicle registration revocation;
- (3) At pages 5, 13, 21-22, 26, and 32, clarified the application of the motor vehicle registration revocation provisions, by providing time limitations applicable to prior convictions or alcohol enforcement contacts, similar to those provided for under sections 291-4 (DUI) and 291-4.4 (habitual offender), Hawaii Revised Statutes;
- (4) At page 10, lines 2-8 and page 28, lines 15-20, changed "restricted registration" to "special registration" and deleted the provision stating that operation of the motor vehicle in a manner inconsistent with the restricted registration would have same effect as operating without a license;
- (5) At pages 13-14, lines 19-2, added a provision requiring the applicable police department, upon the arrest of a person and determining the person has prior DUI convictions or alcohol enforcement contacts within the specified periods, to notify the county Director of Finance to insert a "stopper" on further motor vehicle transactions; and deleted a provision requiring this be done by the Director of the Administrative Driver's License Revocation Office;
- (6) At page 23, lines 11-15, added a provision to permit the Administrative Driver's License Revocation Office to destroy the license plates if the Director revokes the motor vehicle registration after the administrative review;
- (7) At page 32, lines 21-22, clarified that the prohibition on subsequent registration transactions, after an arrestee's motor vehicle registration has been revoked, is only for the length of the applicable revocation period and not indefinitely;
- (8) At pages 35-36, lines 20-2, added a provision making it a misdemeanor to fail to comply with an order to surrender license plates;
- (9) At page 37, lines 9-10, added a provision requiring the Director of the Administrative Driver's License Revocation Office to adopt rules relating to issuing of special motor vehicle registrations;

- (10) At pages 37-38, lines 11-22, added a provision permitting certain exceptions to the prohibition on transferring vehicles that are subject to a motor vehicle registration revocation;
- (11) At pages 39-40, lines 20-19, added a provision requiring persons to whom a special registration has been granted to apply to the county Director of Finance for special series license plates;
- (12) At page 42, lines 18-19 and page 43, lines 9-10, deleted the increase to the mandatory consecutive hours of jail time for second and third offenses under section 291-4 (DUI), Hawaii Revised Statutes;
- (13) At pages 45-47, lines 22-4, added mandatory penalties (including minimum one year driver's license revocation, ten days jail, and alcohol assessment and treatment) to section 291-4.4 (habitual DUI offender), Hawaii Revised Statutes, to comply with the federal law;
- (14) At page 47, deleted the "saving" provision because it conflicted with other provisions in the bill indicating the intent of the bill to apply to prior convictions or alcohol enforcement contacts;
- (15) At page 47, lines 5-8, added a new section directing the revisor of statutes to substitute appropriate section numbers for letters used in designating new sections in the bill; and
- (16) Made 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. 2618, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2618, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 347-00 Energy and Environmental Protection on H.B. No. 2527

The purpose of this bill is to increase the solid waste management disposal surcharge from 35 cents per ton to 60 cents per ton for all disposal facilities, except permitted inert and construction and demolition waste disposal facilities for which the surcharge remains at 35 cents per ton.

The Department of Health and the Hawaii Chapter of the Sierra Club submitted testimony in support of this bill. The Honolulu Department of Environmental Services and PVT Land Company submitted testimony in opposition to this bill. The Tax Foundation of Hawaii commented on the bill.

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. 2527 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 348-00 Energy and Environmental Protection on H.B. No. 2076

The purpose of this bill is to support efforts to ensure a clean and beautiful Hawaii by appropriating funds for the Keep America Beautiful system in Hawaii.

The Office of the Mayor of Maui County, two members of the Maui County Council, Nani O Waianae, The Legislative Center on behalf of Anheuser Busch Companies, Community Work Day Program, and several individuals testified in support of this measure. The Department of Health supported the intent of this bill, provided that its passage does not affect priorities in the Executive Budget requests. The University of Hawaii's Environmental Center offered comments.

Your Committee finds that the local affiliates of Keep America Beautiful provide an invaluable service to the State through their litter control efforts and recommends that its funding be continued.

Your Committee has amended this bill by:

- (1) Clarifying the purpose section; 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. 2076, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2076, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 349-00 Energy and Environmental Protection on H.B. No. 2539

The purpose of this bill is to improve the environmental quality of this State by ensuring that adequate sources of funding are available and dedicated to support this effort. This bill:

- (1) Increases the environmental response tax on petroleum from five to twenty-five cents per barrel sold by a distributor to any retail dealer or end user; and
- (2) Expands the uses of the Environmental Response Revolving Fund to provide financial support to a variety of environmental protection and natural resource protection programs including energy conservation and alternative energy development, and to address concerns related to air quality, global warming, clean water, polluted runoff, and solid and hazardous waste.

The Department of Health, the Office of Planning, the Department of Land and Natural Resources, the Sierra Club, Hawaii Chapter, the Hawaii Association of Conservation Districts, and one individual testified in support of this measure. Opposing this bill were the Airlines Committee of Hawaii, Hawaiian Commercial and Sugar Company, Kauai Electric, The Gas Company, the Hawaii Transportation Association, Tesoro Hawaii, Kalaeloa Partners L.P., and Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company. The Department of Taxation, the Tax Foundation of Hawaii, the University of Hawaii's Environmental Center, and one individual offered comments.

Your Committee has amended this bill by:

- (1) Removing the requirement that an unspecified amount of the environmental response tax be used to address concerns relating to drinking water; and
- (2) Making technical, nonsubstantive amendments for the purpose of style.

Your Committee recognizes the need to identify an equitable means to require the polluter to pay to protect the environment. Because this measure may be critical to the development of the supplemental biennium budget, it is your Committee's intent that discussion continue on this issue.

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. 2539, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2539, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho.
(Representative Meyer voted no.)

SCRep. 350-00 Economic Development and Business Concerns on H.B. No. 1863

The purpose of this bill is to require that rules adopted by administrative bodies to comply with federal law do not impose regulatory requirements in excess of federal requirements.

The Hawaii Hotel Association, the Contractors Association of Kauai, the General Contractors Association of Hawaii, the Building Industry Association, the Construction Industry Legislative Organization, the National Federation of Independent Business, the Land Use Research Foundation of Hawaii, the Hawaii Leeward Planning Conference, the Hawaii Business League, and the Kona-Kohala Chamber of Commerce testified in support of the measure. The Attorney General and the Chamber of Commerce of Hawaii testified in support of the intent of the bill. The Sierra Club, Hawaii Chapter, testified in opposition of the bill.

Your Committee finds that this bill will minimize regulatory burdens on business and will play a part in the Legislature's goal of passing sweeping regulatory reforms to improve efficiency in state government.

In order to address concerns expressed by the state Attorney General, your Committee has amended this bill by adding a language clarifying that the measure will have only prospective effect and operation.

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. 1863, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1863, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Morihara.

SCRep. 351-00 Economic Development and Business Concerns on H.B. No. 1865

The purpose of this bill is to provide a mechanism for the expeditious removal of unnecessary vocational and professional regulatory boards and commissions by authorizing the abolishment of a board or commission that had been established by statute

upon the filing of a report by the State Auditor (Auditor) recommending the elimination of the board or commission, unless the Auditor's recommendation is disapproved by resolution passed by two-thirds of either the Senate or the House of Representatives, or by concurrent resolution.

This bill also provides that upon adjournment sine die of the Legislature that received the report, and if the Legislature has not disapproved the Auditor's recommendation to abolish the board or commission, no further appointments are to be made to the board or commission except as subsequently authorized by statute.

The Contractors Association of Kauai, the General Contractors Association of Hawaii, the Building Industry Association of Hawaii, the General Contractors Association of Hawaii, the Hawaii Leeward Planning Conference, the National Federation of Independent Business, and the Kona-Kohala Chamber of Commerce testified in support of the measure. The State Auditor, the Chamber of Commerce of Hawaii, and the Big Island Business Council testified in support of the intent of the measure. The Attorney General and the Hawaii Nurses' Association testified in opposition to this measure. The Department of Commerce and Consumer Affairs and the Hawaii Hotel Association submitted comments on this measure.

Your Committee has amended this bill by:

- (1) Expanding legislative oversight and input in response to the Auditor's recommendation to abolish a board or commission;
- (2) Specifying that if the Governor's disapproval is sent to both houses of the Legislature, and the House and Senate disagree by concurrent resolution, the Auditor's recommendations to abolish the board or commission stand;
- (3) Establishing criteria in the Auditor's consideration to determine whether to abolish a board or commission; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1865, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1865, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Morihara.

SCRep. 352-00 Economic Development and Business Concerns on H.B. No. 2187

The purpose of this bill is to have rules, that are required by federal laws, impose the minimum regulatory requirements necessary to be in compliance. In addition, the bill provides that excess requirements be justified in writing and submitted to the Governor, Mayor, and the Legislature.

The Big Island Business Council, General Contractors Association of Hawaii, The Hawaii Business League, Land Use Foundation of Hawaii, Construction Industry Legislative Organization, Inc., and the National Federation of Independent Business submitted testimony in support of the bill. The Department of the Attorney General submitted testimony in support of the over-all concept with concerns regarding the implementation of the bill. The Chamber of Commerce of Hawaii submitted testimony supporting the intent of the bill. The Hawaii Hotel Association submitted testimony supporting the idea presented in the bill. The Department of Health and the Sierra Club submitted testimony in opposition to the bill.

Your Committee finds that the language of the standards and guidelines in some federal laws make it difficult to determine whether the rules are, in fact, the minimum regulatory requirements for compliance, and in other cases, it may be to the benefit of Hawaii to adopt rules which exceed the minimum requirements of the federal law.

Upon careful consideration, your Committee has amended the bill by deleting its substance and adding new language that inserts a Joint Legislative Management Committee (Joint Committee) procedure to review the rules. Any person directly, substantially, or adversely affected by an agency's rules may submit an application for review to the Committee, or the Committee may review the rules on its own motion. By a majority vote, the Committee will review the rules according to certain criteria, may hold a public hearing, request an opinion of the Attorney General, investigate, and obtain information from the agency.

This measure also clarifies the scope of an agency's rulemaking authority by declaring that:

- (1) The agency in adopting substantive rules is limited to the authority delegated by the Legislature;
- (2) Rulemaking may only be exercised within the framework of the enabling statute;
- (3) The agency shall strive to implement the legislative intent of the statute conferring the rulemaking authority;
- (4) Rules that conflict with the scope of the law they were devised to implement are invalid; and
- (5) An agency cannot exceed the scope of its statutory authority to adopt rules.

Upon a determination by the Joint Committee that the rule is inappropriate or unnecessary, the Joint Committee will notify the applicant and either seek a remedy at the agency or legislative level. This bill also prohibits the Joint Committee from reviewing rules relating to debt obligations of the State, its instrumentalities, or political subdivisions.

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. 2187, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2187, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Morihara.

SCRep. 353-00 Economic Development and Business Concerns on H.B. No. 2794

The purpose of this bill is to clarify the applicability of the general excise tax (GET) to offshore aircraft leasing companies by:

- (1) Exempting from the GET, amounts received as rent for the rental or leasing of aircraft or aircraft engine used by the lessees or renters for the interstate air transportation of passengers; and
- (2) Providing that the existing use tax exemption for the leasing of aircraft or aircraft engines is for the acquisition or importation of any aircraft or aircraft engine by any lessee or renter engaged in interstate air transportation.

Hawaiian Airlines testified in support of this measure. Aloha Airlines testified in support of the intent of this measure. The Department of Taxation testified in opposition to this measure. Comments were received from the Tax Foundation of Hawaii.

Your Committee notes that subject to the effective date of this bill, the tax exemption will be applied prospectively. However, it is your Committee's intent that the exemption in the bill also be applied retroactively to the effective date. It is also your Committee's intent that any tax reimbursements be credited toward future taxes.

Your Committee has amended this bill by:

- (1) Deleting the definitions of "interstate air transportation";
- (2) Changing the effective date to July 1, 2000; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2794, 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. 2794, H.D. 2.

Signed by all members of the Committee except Representatives Morihara.

SCRep. 354-00 Economic Development and Business Concerns and Higher Education on H.B. No. 2607

The purpose of this bill is to strengthen the high technology business incentives provided in Act 178, Session Laws of Hawaii 1999 for qualified high technology businesses.

Specifically, this bill:

- (1) Designates certain performing arts products, such as music CDs, videos, and computer animation, as qualified research, thereby allowing high technology businesses developing these products to qualify for the income tax exclusion for royalties, the income tax exclusion for income from stock options, and the high technology investment tax credit;
- (2) Expands the exclusion from income of royalty and other income derived from patents and copyrights to include income derived from trade secrets;
- (3) Allows partnership investors the flexibility of allocating the high technology business investment tax credit among partners without regard to the federal income tax allocation rules; and
- (4) Increases the state research and development tax credit rate to match the federal tax credit rate.

The Hawaii Technology Trade Association testified in support of the measure. The High Technology Development Corporation submitted testimony in support of the intent of this measure.

Your Committees have amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style, and to conform with drafting requirements.

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. 2607, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2607, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 355-00 Public Safety and Military Affairs on H.B. No. 2741

The purpose of this bill is to allow the governor to contract for private sector operation of correctional facilities. The bill also establishes criteria necessary for an acceptable contract for privatized operation of a correctional facility.

Your Committee received testimony in support of this measure from the Department of Public Safety, the Hawaii Island Economic Development Board, the Hawaii Island Portuguese Chamber of Commerce, the Hawaii Leeward Planning Conference, the Kanoelehua Industrial Area Association, several members of Out of Prison Services, and Monet Consulting. The Department of Public Safety proposed many amendments to this measure. Your Committee received testimony in opposition to this measure from the United Public Workers, the Hawaii Government Employees Association, the Community Alliance on Prisons, the 'Ilio'ulaokalani Coalition, and the Ka Lahui Political Action Committee.

Your Committee finds that if a private prison is to be allowed then it is important for the state to proceed very cautiously and to require that the contract meet the strict conditions described within this measure.

Although too voluminous to summarize its entire contents, this measure contains language that:

- (1) Authorizes the governor to enter into and execute contracts with any private entity to operate minimum security correctional facilities at sites selected by the governor within the state;
- (2) Specifies the facility will be a minimum security design to be operated as an intensive treatment facility for those inmates in need of substance abuse treatment. According to each offender's needs, the facility shall also provide a wide array of culturally and gender appropriate programs, mental health services, group counseling, anger management programs, transitional programs, cognitive restructuring, remedial education and vocational training;
- (3) Establishes a citizens oversight committee involved in the siting, design, and monitoring of any facility contracted under this measure;
- (4) Forbids inmates from out-of-state facilities to be transferred to the private facility;
- (5) Allows for various forms of oversight and inspection by the auditor, the state procurement officer, and the media;
- (6) Strictly limits the input of the private operator concerning which offenders are housed in the facility and when the inmates are to leave the facility;
- (7) Describes the division of authority between the operator and the state concerning security, escapes, and emergencies;
- (8) Requires the facility to comply with all national, state, and local regulations, laws and accreditation standards;
- (9) Exempts the private correctional facility from chapters 42D, 42F, and 103F, Hawaii Revised Statutes; and
- (10) Financially rewards the private operator for preparing inmates for successful reintegration to free society and financially penalizes the private operator for those inmates that are not successful;

Your Committee has amended this measure to include new language that:

- (1) Grants a ten per cent preference to providers of services and rehabilitative programs that take into account the cultural needs of the prison population;
- (2) Restricts the transfer of federal inmates to the private facility to those transfers approved by the director;
- (3) Makes acts that are criminal in a public facility criminal within a private facility;
- (4) Describes necessary requirements for use-of-force policy and firearm use by private facility staff;
- (5) Makes any movement not covered in this measure the legal equivalent of an escape;
- (6) Expanded the oversight committee to include the police chief of the county where the facility is located;
- (7) Authorizes the ombudsman to act in matters regarding the private correctional facility;

- (8) Directs the director to certify the security level of the facility; and
- (9) Makes various technical amendments for the purpose of clarity and style.

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. 2741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2741, H.D. 1, and be referred to the Committees on Labor and Public Employment and Finance.

Signed by all members of the Committee.

SCRep. 356-00 Economic Development and Business Concerns and Consumer Protection and Commerce on H.B. No. 2360

The purpose of this bill is to prohibit state and county regulatory agencies from imposing civil fines, charges, or fees on small businesses without first seeking to resolve the matter with the small business owner or other representative through mediation, arbitration, or other alternative dispute resolution method, except when:

- (1) Federal law requires the immediate imposition of citations or fines; or
- (2) The agency determines that the small business has acted in bad faith in its dealings with the agency or in failing to comply with applicable laws.

The Chamber of Commerce of Hawaii, the National Federation of Independent Business, the Hawaii Business League, the Hawaii Restaurant Association, the Small Business Regulatory Review Board, and an individual testified in support of this measure. The Department of Labor and Industrial Relations, the Public Utilities Commission, and the Department of Planning and Permitting of the City and County of Honolulu testified in opposition to this measure. Comments were submitted by the Department of Business, Economic Development, and Tourism, the Regulated Industries Complaints Office, the Office of Consumer Protection, the Kona-Kohala Chamber of Commerce, the Department of Liquor Control of the County of Hawaii, and the Big Island Business Council.

Your Committees recognize that alternative dispute resolution is an effective enforcement tool in resolving matters of dispute between businesses and government agencies. However, your Committees also recognize that there are instances when regulatory agencies must rely on other means of enforcement are more appropriate to minimize consumer harm in a more expeditious manner.

Upon consideration, your Committees have amended this bill by allowing, rather than requiring, state and county regulatory agencies to resolve problems with small businesses through mediation, arbitration, or other alternative dispute method before imposing civil fines, charges, or fees on the small business, except under certain circumstances.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2360, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2360, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Chang, Menor, Morihara, Yoshinaga, Halford and Whalen.

SCRep. 357-00 Higher Education on H.B. No. 2068

The purpose of this bill is to remove a barrier for faculty of the University of Hawaii (UH) by enabling them to collaborate on projects with private entities, participate in private startup enterprises, and devise a system of allocation of intellectual property without being in violation of the State Ethics Code.

The University of Hawaii Professional Assembly supported the measure. The State Ethics Commission and The League of Women Voters of Hawaii opposed the bill. UH commented on the bill.

Your Committee recognizes that UH should continue to be provided with the ability to be flexible in their activities and thus, encourage entrepreneurial activities. This is consistent with the flexibility provided to UH concerning procurement, legal services, fund control and other processes.

Your Committee also notes that the State Ethics Commission makes every effort to accommodate UH employees on the complex issue of ethics in higher education.

Your Committee further recommends that UH work more closely with their employees on matters of ethics.

Consistent with efforts toward autonomy, your Committee has amended this bill by deleting its contents and replacing them with the authority for UH to establish its own ethics review. While your Committee continues to believe the University should

remain under State Ethics Laws, the amendment requires the Board of Regents to establish an ethics system for the faculty and other employees of UH, excluding the President and Board of Regents.

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. 2068, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2068, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 358-00 Energy and Environmental Protection on H.B. No. 1977

The purpose of this bill is to create an exception to the gasoline retail divorcement law by allowing a manufacturer or jobber to operate a former dealer-operated retail service station where the current or new dealer:

- (1) Is in agreement with such an operation; and
- (2) Has a contract interest in the operation.

The original divorcement law was designed to protect gasoline dealers from being forced out of business by oil company-owned and operated gasoline stations. Currently, a manufacturer or jobber is prohibited, with certain exceptions, from operating a former dealer-operated service station. This is known as the "once a dealer-operated station, always a dealer-operated station" arrangement.

FastLube, Inc. dba Flagship Auto Service Center, the Western States Petroleum Association, Chevron Products Company, two independent dealers, and one individual testified in support of this measure. Four dealers and one individual opposed passage of this bill. Two independent dealers offered comments. Former Senator Donna Ikeda offered her insight and comments on the legislative intent and history of this complex issue.

Supporters of this bill contend that the law fails to consider the small business person who has built a successful service business while operating under a "contract dealer" or "fee operator" arrangement with the oil company. Under such an arrangement, the small business person negotiates a fee that will be charged to the oil company to operate the gasoline facility. The oil company purchases the fuel inventory, pays the taxes on the fuel, pays the credit card discount fees, and provides the fueling system, equipment, and the real estate. In turn, the contract dealer maintains the facility, employs the personnel, and pays the oil company a fair market rent for the service bays or retail area which is used in the business person's business venture.

Others believe that under the current law, such contract dealers should be considered an oil company operated station given the fuel arrangements.

Supporters believe that this bill will allow a dealer the greatest flexibility to make the best business decision for the station. They contend that this will allow the best buyer, which in most cases is the oil company, to run the station for more than two years. While this arrangement could provide the outgoing dealer the best chance of receiving some compensation for the station, it may also jeopardize the existence of other dealers by circumventing the intent of divorcement.

Your Committee has amended this bill by:

- (1) Reducing the time period for a manufacturer or jobber to operate a former dealer operated retail service station from twenty-four months to sixty days;
- (2) Deleting the provision that authorizes the manufacturer or jobber to operate a former dealer operated service station when the current or new dealer is in agreement with or has a contract interest in the operation;
- (3) Requiring the manufacturer or jobber to report all changes to the ownership or type of operation involving a branded service station to the Petroleum Advisory Council (Council) within 14 days;
- (4) Requiring the Council to make these reports available for public inspection; and
- (5) Directing the Department of Commerce and Consumer Affairs to update its 1991 study on the impact of direct retailing of motor fuel by refiners and distributors in competition with franchised and independent service stations.

It is your Committee's intent to use this bill as a vehicle to further discuss this complex issue.

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. 1977, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1977, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Kanoho.
(Representative Meyer voted no.)

SCRep. 359-00 Energy and Environmental Protection on H.B. No. 2012

The purpose of this bill is to impose a \$10 surcharge on the price of a battery if no old battery is presented for disposal to encourage the proper disposal of lead acid batteries. Additionally, the bill requires that the surcharge be conveyed into the general fund.

The Sierra Club submitted testimony in support of the bill. The Department of Health submitted testimony in support of the intent of the bill with the suggestion that the surcharge be designated for the Environmental Management Fund. The Department of Commerce and Consumer Affairs submitted testimony in support with reservations. The Environmental Center of the University of Hawaii at Manoa submitted testimony concerning with the intent of the bill. The Hawaii Automobile Dealers' Association submitted testimony in opposition to the bill. The legislative Information Services of Hawaii submitted testimony in opposition to this bill as an unnecessary tax.

Your Committee finds that discarded lead batteries are ending up in public places, landfills, and illegal dump sites. The present law's requirement that a seller of lead acid batteries accept batteries equaling at least the number of batteries purchased, if offered by a buyer, does not provide any incentive to clear the environment of existing used batteries.

After careful consideration, your Committee has amended this measure by deleting its substance and inserting provisions that established a battery bounty program to be developed and administered by the Department of Health. The program will pay nonprofit groups for used batteries delivered to collection sites. The funds from the Environmental Response Revolving Fund will be used to pay for the used batteries.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2012 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2012, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 360-00 Energy and Environmental Protection on H.B. No. 2312

The purpose of this bill is to encourage the private development of waste processing facilities that convert waste materials into usable goods. This bill exempts from the general excise tax the cost of construction and materials of any zero emission waste processing facility built over the next two years.

An individual testified in general support of this measure. The Department of Taxation opposed passage of this bill, and the Tax Foundation of Hawaii offered comments.

Discussion centered around the problems relating to the disposal of medical wastes. According to the Department of Health (DOH), permits are currently being sought for two proposed facilities that would be able to address this problem.

Your Committee has amended this bill by:

- (1) Clarifying that a qualified "waste processing facility" can produce minimal rather than zero emissions that do not require an air quality permit;
- (2) Specifying that in order to qualify for the exemption, the Director of Health must first certify that the facility meets DOH's pollution emission criteria; and
- (3) Making technical, nonsubstantive amendments for the purpose of consistency.

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. 2312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2312, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 361-00 Energy and Environmental Protection on H.B. No. 2327

The purpose of this bill is to provide taxpayers a tax incentive to purchase and use electric vehicles by:

- (1) Providing a ten percent tax credit of the purchase price; and
- (2) Providing a tax deduction of up to \$30,000 for the cost and installation of a vehicle recharging station.

The City Council, the Hawaiian Electric Company, and the Electric Vehicle Association of Hawaii testified in support of this bill. The Hawaii Electric Vehicle Demonstration Project and the University of Hawaii at Manoa Environmental Center testified in support of the intent of this bill. The Tax Foundation of Hawaii commented on this bill. The Department of Taxation testified in opposition to this bill.

Your Committee has learned that this bill mirrors the federal tax incentive by allowing for a tax credit and deduction for expenses related to a purchase of an electric vehicle.

Your Committee has amended this bill by:

- (1) Including the cost of a vehicle recharging station as a deduction; and
- (2) Requiring that the charging station must be accessible to the public.

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. 2327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2327, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 362-00 Human Services and Housing on H.B. No. 2513

The purpose of this bill is to allow the Med-QUEST Division to dispose of unclaimed corpses in a timely manner by:

- (1) Requiring the cremation of unclaimed corpses;
- (2) Allowing the Department of Human Services (DHS) to authorize the cremation of unclaimed corpses; and
- (3) Providing immunity from liability arising from such cremations for DHS and other participants acting upon authorization by DHS.

DHS testified in support of this measure.

Your Committee finds that burial or disposal of unclaimed corpses is already a State function; DHS is authorized to pay for burial or disposal costs. However, there is currently no statutory designation of a State agency that is responsible to authorize disposal of such remains.

While this measure would effectively clarify existing statutes, your Committee is sensitive to the dignified treatment and disposal of the cremated human remains. Specifically, your Committee encourages the preservation of the person's dignity by considering:

- (1) Awareness of cultural considerations;
- (2) Post-cremation wishes of friends; and
- (3) Respectful final disposition of human remains.

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. 2513 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. 363-00 Human Services and Housing on H.B. No. 1831

The purpose of this bill is to increase general fund spending on the Temporary Assistance to Needy Families Program to reflect current federal poverty levels.

The Hawaii State Commission on the Status of Women, Parents and Children Together, Na Loio-Immigrant Rights and Public Interest Legal Center, the Honolulu Community Action Program, Inc., the Kokua Council, the American Friends Service Committee, the National Association of Social Workers, the Affordable Housing and Homeless Alliance, and an individual testified in support of this bill. The Department of Human Services (DHS) testified in opposition to this bill.

Your Committee finds that the federal poverty level guideline that the DHS currently uses is from 1993 and is outdated. In order to meet current federal poverty level spending, DHS's payment to needy families needs to increase 21 percent. The increase to current federal poverty levels results in an additional \$95 per month for a family of three. Based on DHS's current caseload, a 21 percent increase in payment costs results in a total increase expenditure of \$16,047,207 for DHS.

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. 1831 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 364-00 Human Services and Housing on H.B. No. 1908

The purpose of this bill is to provide an income tax credit for an individual development account contribution by:

- (1) Allowing a taxpayer to claim fifty percent of the amount contributed to the individual development account;
- (2) Allowing any excess of the credit to carry over to the subsequent years until exhausted where the credit exceeds the taxpayer's liability for the tax year;
- (3) Allowing the credit for a five-year period from tax years 2000 to 2004; and
- (4) Restricting the aggregate amount of the credit to \$1,000,000 for the five-year period.

The Hawaii State Commission on the Status of Women, the Mutual Housing Association of Hawaii, the Bank of Hawaii, the Department of Human Services, the Office of Hawaiian Affairs, the Hawaii Alliance for Community Based Economic Development, the American Friends Service Committee, the Legal Aid Society, and the Department of Taxation testified in support of this bill. The Tax Foundation of Hawaii commented on this bill.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1908 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.

SCRep. 365-00 Human Services and Housing on H.B. No. 2370

The purpose of this bill is to clarify the finality of determinations of physical or mental disability or both when determining eligibility for general assistance (GA) benefits by:

- (1) Allowing the applicant to rebut a board's or medical consultant's finding of no disability by introducing medical records or reports, or both from the applicant's treating provider; and
- (2) Having the hearing officer consider, but not be bound by, the determination made by the board or by the Department of Human Services' (DHS) medical consultant.

The Hawaii Catholic Conference and the Hawaii Disability Rights Center testified in support of this bill. Two individual commented on this bill. The DHS testified in opposition to this bill.

Your Committee believes that this bill will provide a process for those who may be wrongly denied GA benefits.

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. 2370 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.

SCRep. 366-00 Human Services and Housing on H.B. No. 2514

The purpose of this bill is to facilitate the recovery of public funds the Department of Human Services (DHS) expends on deceased recipients by:

- (1) Clarifying DHS's interests in the estate of deceased recipients; and
- (2) Clarifying the procedure for asserting a DHS claim.

DHS testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2514 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 Lee.

SCRep. 367-00 Human Services and Housing on H.B. No. 540

The purpose of this bill, as received by your Committee, is to appropriate funds to provide health insurance to immigrant children who would qualify for benefits under the State's Children's Health Insurance Program (S-CHIP) but who are ineligible due to rules imposed by federal law.

The Hawaii State Primary Care Association and Na Loio Immigrant Rights and Public Interest Legal Center (Na Loio) testified in support of this measure. The Department of Human Services (DHS) supported the intent of this measure.

With the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Welfare Reform Act), Congress stripped away medical assistance and other benefits from income qualified immigrants. A citizen's right to access these benefits, however, was untouched.

Your Committee heard testimony by Na Loio that Hawaii's treatment of immigrants, otherwise entitled to benefits except for their legal status in the United States, is in clear violation of the law. Former Attorney General, Margery Bronster, concluded in a January 6, 1997, report that it is doubtful Hawaii will be able to formulate a compelling state interest to justify discrimination between citizens and aliens in the distribution of welfare benefits. Relying on a decision issued by the United States Supreme Court, Attorney General Bronster concluded, "Hawaii certainly cannot claim that it has a compelling interest favoring its own citizens over aliens in the distribution of limited resources such as welfare benefits."

Additionally, in New York, legal immigrants challenged the state law that limited their access to the state-funded Medicaid program and prevailed. In *Aliessa v. Whalen*, 694 N.Y.S. 2d 308 (1999), the New York court held that a state statute which curtails or eliminates state Medicaid coverage under the Welfare Reform Act violates federal and state guarantees of equal protection. In reaching its decision, the court noted that fiscal concerns and the distribution of limited resources cannot excuse otherwise invidious distinctions between state residents.

Your Committee further finds that if the Legislature appropriated additional funds to S-CHIP, DHS would be able to amend the State's plan and enroll an additional 3,300 uninsured children whose family's income does not exceed 300 percent of the federal poverty level for Hawaii. At 300 percent of the federal poverty level for Hawaii, Hawaii would reach universal access for all children. Furthermore, it would afford the State the opportunity to draw down additional federal funds. The estimated annual cost to support this expansion would be \$3,600,000 in total. The State's 35 percent share would equal \$1,260,000 million, while the federal government would contribute \$2,340,000 million. There is compelling economic arguments in favor of this expansion.

Your Committee believes that it has an opportunity to not only increase the numbers of uninsured children receiving health insurance, but to provide health insurance to all permanent legal immigrant residents as well.

After further consideration, your Committee has amended this measure by deleting its substance and inserting language to:

- (1) Use Tobacco Settlement Special Funds to cover all children under S-CHIP, up to 300 percent of the federal poverty level for Hawaii;
- (2) Provide health insurance to all permanent legal immigrant residents; and
- (3) Make technical, nonsubstantive amendments for purposes of clarity and style.

In doing so, all legal immigrants, including adults, would be eligible for medical assistance. While your Committee is uncertain of the financial impacts, recent court decisions demonstrate the urgent need for action.

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. 540, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 540, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Stegmaier.

SCRep. 368-00 Human Services and Housing on H.B. No. 2367

The purpose of this bill is to support the successful transition from public assistance to self-sufficiency by establishing the Bridge-to-Hope Program (Program) to encourage public assistance recipients to pursue and successfully complete higher education.

The Commission on the Status of Women, the American Friends Service Committee, the Women's Center at the University of Hawaii (UH) at Manoa, the Legal Aid Society of Hawaii, the National Association of Social Workers, the Kokua Council, and numerous individuals testified in support of this measure. The Department of Human Services (DHS) and UH testified in support of the intent of this measure.

Your Committee finds that this measure accomplishes the important goals of moving women from welfare to work with the education and skills necessary to lead productive lives and keeping families permanently off public assistance.

Your Committee has amended this measure by:

- (1) Clarifying that to receive assistance under the Program, the parent must be working and meeting the minimum work requirements of the Program;
- (2) Calculating a "full-time student" status in the same manner as the UH system;
- (3) Permitting internships, externships, practicums, or any other work-training required by the course of study or work experience related to the student's course of study count toward the recipient's work requirements;
- (4) Inserting an escape clause authorizing DHS to adjust hours of federally defined work activities under certain conditions;
- (5) Not exempting work requirements or the Program from federal laws;
- (6) Deleting requirements that the participant submit:
 - (A) Evidence that the participant completed the course of study within two years beyond the the time limit; and
 - (B) Proof of completion of the Program upon graduation;
- (7) Deleting the definition of "substantial hardships";
- (8) Deleting the provision allowing additional assistance to include additional subsidies;
- (9) Deleting requirements that DHS provide yearly evaluations to determine success;
- (10) Requiring that work requirements not exceed an unspecified number of hours per week; and
- (11) 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. 2367, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2367, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 369-00 Human Services and Housing on H.B. No. 2368

The purpose of this bill is to address the housing needs of existing public housing residents of units that are being renovated, demolished, or disposed of.

The Associated Builders and Contractors, Inc., the Affordable Housing and Homeless Alliance, and the American Friends Service Committee testified in support of this bill. The Department of Business, Economic Development and Tourism Housing and Community Development Corporation of Hawaii (HCDC) testified in opposition to this bill and recommended language regarding the "one for one" replacement of public housing.

Your Committee has adopted the recommendation made by HCDC. The recommendation requires one for one replacement "to the extent possible" thereby alleviating this requirement when HCDC does not have sufficient financial resources to do so.

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. 2368, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2368, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 370-00 Human Services and Housing on H.B. No. 2377

The purpose of this bill is to appropriate \$250,000 to ensure the safety and comfort of delegates to the "Conference in the Year Zero" (Conference).

Several individuals testified in support of this measure. The Office of Youth Services submitted comments.

The purpose of the Conference is to continue the dialogue begun at the Millennium Young People's Congress (Congress) held in Honolulu in October 1999, in which delegates determined key priorities for sustaining and improving life in every nation of the world. The results of the first Conference will be presented to world leaders in government, business, and the community attending the Conference to develop implementation plans to be presented to the United Nations.

Your Committee finds that although many of Hawaii's residents will act as hosts to Conference delegates, funds are needed for planning and coordinating the stays, transportation to and from the site, and family support expenses such as stipends for those families who would like to host delegates but have limited funding.

Your Committee further finds that while the Conference provides an excellent and strategic location to follow up with the recommendations of the Congress, a permanent Center of the United Nations in Hawaii is needed to discuss the health, welfare, and rights of children as basic foundations for all children and youth, and to research pertinent issues and alternatives concerning children and youth and propose viable models for societal application.

Your Committee has amended this measure by:

- (1) Requiring the Hawaii Tourism Authority to provide matching funds for the Conference; 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. 2377, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2377, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 371-00 Human Services and Housing on H.B. No. 2431

The purpose of this bill is to comply with the Quality Housing and Work Responsibility Act of 1998, P.L. 105-276, 112 Stat. 2461, by:

- (1) Establishing resident advisory boards in federal public housing projects;
- (2) Adding a recipient of federal public housing benefits to the board of directors to the housing and community development corporation of Hawaii (HCDC board); and
- (3) Increasing the HCDC board by two members.

Testimony in support of this bill was submitted by the Affordable Housing and Homeless Alliance, the Housing and Community Development Corporation, Catholic Charities, and the Governor's Office. Comments were submitted by several concerned individuals. Testimony in opposition to this bill was submitted by the Legal Aid Society of Hawaii.

Your Committee finds that public housing residents should be represented on the HCDC board in order to provide their input in housing policies and procedures that affect them. Your Committee further finds that public housing residents should have an input in nominating two public members to serve on the HCDC board.

Your Committee has amended this bill by:

- (1) Clarifying the establishment of the resident advisory board;
- (2) Providing a procedure for election of members and notices of vacancies on the resident advisory board;
- (3) Providing a procedure for the resident advisory board in nominating two individuals who reside in state and federal public housing to the HCDC board; and
- (4) Making technical, nonsubstantive changes for 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. 2431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2431, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 372-00 Human Services and Housing on H.B. No. 3022

The purpose of this bill is to appropriate funds to provide mothers on public assistance the opportunity to receive child care certification.

PATCH submitted testimony in support of this bill. The Office of Community Services submitted testimony in support of the intent of this bill. The Department of Human Resources submitted testimony in opposition of this bill.

Upon careful consideration, your Committee has amended this bill to appropriate funds to provide income-qualified mothers, who concurrently enroll in a program to receive a child development associate credential, the opportunity to become trained child providers.

Your Committee finds that DHS will pay for child care training while on 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. 3022, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3022, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 373-00 Human Services and Housing and Health on H.B. No. 2336

The purpose of this bill is to establish an income tax credit to any taxpayer who cares for an elderly relative under certain conditions.

Kokua Council and the Representative from the 42nd District testified in support of this measure. The Executive Office on Aging testified in support of the intent of this measure. The Department of Taxation opposed this measure. The Department of Human Services (DHS) submitted comments.

Your Committees find that this measure provides financial relief for caregivers providing long-term care for elderly relatives, thus allowing families to keep their relatives at home for as long as possible, which is what most families desire to do.

Your Committees have amended this measure by:

- (1) Providing a \$300 tax credit for the long-term care of an elder relative;
- (2) Deleting requirements that the elder relative must be certified by DHS as requiring the level of care for which the credit is claimed;
- (3) Deleting the provision specifying that the taxpayer shall not place the elderly relative in any for-profit adult day care center; 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. 2336, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2336, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kawakami and Lee.

SCRep. 374-00 Human Services and Housing on H.B. No. 3016

The purpose of this bill is to appropriate \$1,000,000 for fiscal year 2000-2001 to pay for raising the income eligibility of the medically needy program to 133 percent of the assistance allowance.

The Life Foundation testified in support of this bill. The Department of Human Services testified in support of the intent of the bill to expand access to medical assistance, provided that it did not displace the budget priorities contained in 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. 3016 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 Lee.

SCRep. 375-00 Higher Education on H.B. No. 2813

The purpose of this bill is to give the University of Hawaii (UH) complete autonomy from the executive branch.

The UH, University of Hawaii Professional Assembly, and Hawaii Business Roundtable supported this bill. The Hawaii Government Employees Association supported the intent of this bill. The Department of Budget and Finance opposed this measure.

Your Committee finds that this bill would provide the UH with significantly more fiscal autonomy, stimulate entrepreneurship, and allow the UH to more freely and actively pursue self-improvement. It allows the University to submit a separate budget directly to the Legislature, allowing UH to pursue its economic agenda more effectively.

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

- (1) Deleting the requirement that the Board of Regents (BOR) lower or raise UH's general fund expenditures by an equal amount to that established by the Governor for Executive appropriations within a given fiscal year;
- (2) Deleting all of the provisions in the bill that established and listed the UH as separate from the Executive branch, or which delineated the UH's removal from the purview of the Executive branch;
- (3) Changing the phrase "general fund budget appropriation" to "base general fund budget appropriation";
- (4) Defining "base general fund budget appropriation" as the amount of general funds appropriated, excluding any one-time appropriations made to a program and appropriations that are otherwise restricted by bill or proviso; and
- (5) Deleting changes to the makeup of the BOR.

Your Committee has made these changes to clarify and streamline the intent of the bill to establish the University as an independent financial body. The definition of "base general fund budget appropriation" was inserted to ensure that only unrestricted general fund appropriations are used to calculate the University's budget. Special appropriations enacted through separate bills or provisos are not to be included in calculations of the University's base budget.

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. 2813, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2813, H.D. 1, and be referred to the Committees on Labor and Public Employment and Finance.

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

SCRep. 376-00 Judiciary and Hawaiian Affairs on H.B. No. 2444

The purpose of this bill is to expedite the return of unclaimed property to claimants by establishing the Unclaimed Property Trust Fund.

Testimony in support of this measure was received from the State Department of Budget and Finance.

Your Committee finds that establishment of an Unclaimed Property Trust Fund will allow the State, as custodian, to return property in a timely manner to rightful owners.

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. 2444 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 377-00 Judiciary and Hawaiian Affairs on H.B. No. 2567

The purpose of this bill is to allow Department of Land and Natural Resources law enforcement vehicles to use blue lights.

The Department of Land and Natural Resources testified in support of this measure.

Your Committee finds that under current law, the Department of Land and Natural Resources law enforcement vehicles are prohibited from using blue lights in the manner that they are used by other law enforcement agencies 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. 2567 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, Yoshinaga and Whalen.

SCRep. 378-00 Judiciary and Hawaiian Affairs on H.B. No. 1804

The purpose of this bill is to enact a state counterpart to the Federal False Claims Act.

Your Committee finds that a State False Claims Act will provide restitution of money taken from the state by fraud. The genesis of the False Claims Act stems from the Civil War period, when President Abraham Lincoln urged Congress to enact a

scheme to address and prevent widespread fraud by private military contractors. In 1863, Congress passed legislation that allowed private informers or "relators" to bring fraud actions against contractors on behalf of the United States. These lawsuits are referred to as "qui tam" actions, which means, "Who sues on behalf of the King as well as for himself."

Consumer Lawyers of Hawaii and Hawaii Electricians Market Enhancement Program Fund submitted testimony in support of this measure. The Attorney General's Office supported this measure with reservations.

Your Committee finds that a State False Claims Act will benefit the residents and taxpayers of Hawaii for several reasons. A State False Claims Act will provide for the restitution of money taken from the state by fraud. It will promote lawsuits which the State is not equipped to bring on its own. This bill will allow for qui tam actions against contractors and suppliers who, due to their close relationship with the Executive Branch, would not otherwise be investigated or prosecuted and it will encourage and provide an incentive for those with knowledge of fraud to come forward. Finally, a State False Claims Act will create a chilling effect and discourage fraud from occurring in the first place.

Your Committee further notes that in recent years, potential abuses have been exposed which may result in qui tam actions. For example, in 1998, the Legislative Auditor found discrepancies in the cost of some contracts that had been awarded to private providers of special education services. In one instance, the Auditor noted that payment rates for certain special education contracts were markedly higher than the rates paid by other state agencies for the same or more extensive services. For example, a private provider charges \$100 a day for a child placed by the Office of Youth Services for group home services while it charges \$260 a day for a child placed by the Child and Adolescent Mental Health Division. The reason for the discrepancy is that the division bases payment on costs identified by the provider whereas other agencies tell providers what they are willing to pay.

Your Committee has amended this measure by:

- (1) Allowing for private cause of action even if the government had prior knowledge of the fraud;
- (2) Increasing the maximum penalty for each false claim from \$5000 to \$10,000, plus three times the amount of damages that the State sustains because of the act of that person;
- (3) Providing an independent cause of action for relators;
- (4) Allowing relators to remain in the action even if the state chooses to intervene;
- (5) Making the contractor liable for the submission of false claims if it knows the information to be false, or acts in deliberate ignorance or reckless disregard of its truth or falsity;
- (6) Requiring the standard of proof in evidentiary determinations to be based on a preponderance of the evidence; and
- (7) 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. 1804, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1804, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 379-00 Judiciary and Hawaiian Affairs on H.B. No. 2522

The purpose of this bill is to create a mechanism to allow individuals the option to indicate on driver's licenses and state identification cards the existence of an advance health-care directive.

Testimony in support of this bill was provided by the Executive Office on Aging, the City and County of Honolulu Department of Budget and Fiscal Services, the Hawaii Coalition for Affordable Long Term Care, the Healthcare Association of Hawaii, Kokua Council, and the Policy Advisory Board for Elder Affairs. The State of Hawaii Department of the Transportation testified in support of the intent of this bill. The State Attorney General provided testimony in support of this bill with reservations.

Your Committee finds that it may be difficult or impossible, especially in an emergency situation, to ask a person being admitted to a medical facility whether the person has prepared an advance health-care directive to make medical treatment wishes known. Relatives or friends accompanying the person may not know whether the person has an advance directive or may be too distraught to discuss the subject. Your Committee believes an advance directive designation on the driver's license or civil identification card would alert admitting staff of a medical facility to attempt to obtain the document, thereby increasing the likelihood that the individual's medical treatment wishes would be honored.

Your Committee has amended this bill by:

- (1) substituting the term "driver's license" for "motor vehicle license" to reflect proper terminology;

- (2) deleting the prohibition against imprinting of specific medical treatment information on the identification certificate, to allow for circumstances where the Criminal Justice Data Center includes medical information at the individual's request; and
- (3) making technical, non-substantive changes for the sake of 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. 2522, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2522, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives CHang, Takumi, Yoshinaga and Whalen.

SCRep. 380-00 Judiciary and Hawaiian Affairs on H.B. No. 2733

As introduced, the purpose of this bill was to expedite the resolution of individual claims filed with the Hawaiian Home Lands Trust Individual Claims Resolution Panel.

The bill was modeled after the reparations process similar to that authorized by the United States Congress to compensate Americans of Japanese Ancestry who were wrongfully interned during World War II. The bill generally proposed that the Department of Commerce and Consumer Affairs ("DCCA") adjudicate all remaining claims and award successful claimants a fixed amount of damages. By eliminating the need to compute "actual damages," as was required by chapter 674, your Committee anticipated that the DCCA would adjudicate all remaining claims and disburse awards within the next two years.

At the hearing, testimony in opposition to this bill was provided by the State of Hawaii Department of Commerce and Consumer Affairs, the State of Hawaii Office of Hawaiian Affairs, Common Cause Hawaii, Consumer Lawyers of Hawaii, Ilio'ulaokalani Coalition, the League of Women Voters of Hawaii, the Native Hawaiian Legal Corporation, the State Council of Hawaiian Homestead Associations, and numerous concerned individuals. The State Attorney General and State of Hawaii Department of Hawaiian Homelands commented on this bill.

Your Committee acknowledges that a single measure like this will not entirely or finally resolve the deep-rooted issues confronting beneficiaries of the Hawaiian Home Lands Trust. In fact, the claimants who testified at the hearing unanimously believe that at this point, their best and only recourse is to litigate their claims in court. In this respect, your Committee wishes to retain this bill merely as a vehicle in the event that the State and beneficiaries are able to resolve their disputes during the course of this legislative session.

Accordingly, your Committee has amended this bill by deleting its contents and replacing it with that portion of the content of H.B. 1675, C.D. 1 that creates a Hawaiian Home Lands Individual Claims Compensation Commission to investigate various ways to compensate claimants who received a favorable ruling under the process established under chapter 674. Again, your Committee emphasizes that this language was inserted only to ensure that a vehicle remain in place. The language contained in this H.D. 1 carries very little weight and should not be construed as legislative intent with respect to any matter.

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

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

SCRep. 381-00 Judiciary and Hawaiian Affairs and Consumer Protection and Commerce on H.B. No. 2529

The purpose of this bill is to distinguish the certification of distribution system operators from the certification of water treatment plant operators.

The Department of Health (DOH) testified in support of the measure.

Your Committees find that this measure will help the DOH to meet requirements set by Congress that the State certify distribution system operators. Your Committees also find that failure to meet this requirement would cost the State approximately \$1,400,000 of the Drinking Water State Revolving Fund which is available to the State annually through the year 2003.

Your Committees have amended this bill by making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2529, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2529, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, Takumi, Yoshinaga and Auwae.

SCRep. 382-00 Judiciary and Hawaiian Affairs and Consumer Protection and Commerce on H.B. No. 2143

The purpose of this bill is to revise and update Hawaii's Uniform Principal and Income Act, Chapter 557, Hawaii Revised Statutes.

Testimony in support of this bill was provided by Hawaii's Commission to Promote Uniform Legislation, the Hawaii Bankers Association, Pacific Century Trust, and Central Pacific Bank.

Your Committees find this revision will complement and facilitate the application of the Uniform Prudent Investor Act, chapter 554C, Hawaii Revised Statutes, adopted in 1997, which allows a trustee to utilize modern portfolio theory to guide investment decisions.

Your Committees further find that this bill contains language similar to that drafted by the National Conference of Commissioners on Uniform State Laws, with the following substantive variations. First, § -105 and § -106 of this bill add a notice procedure, based on California law, that permits a trustee to give beneficiaries notice of a proposed action, and allows the beneficiary to object or seek a court order to modify the proposed plan. Second, with regard to charitable trusts, § -104(c)(4) of this bill permits a trustee to convert principal to income to distribute more to charities, but prohibits the trustee from withholding distributions to charities (by converting income to principal) without a court order. Third, in § -501, Disbursements from income, and § -502, Disbursements from principal, this bill clarifies that other statutory fee provisions and the trust instrument take precedence over the provisions of this bill. Thus, section 607-18, Hawaii Revised Statutes will continue to control the allocation of trustee fees for private trusts.

Your Committees amended § -105 of this bill to provide that in ruling on a beneficiary's objection to a trustee's proposed action, the court must decide whether the trustee's proposed action constitutes an abuse of discretion, rather than whether the action should be taken. Your Committees find this modification, based on California law, provides a more appropriate standard for the court to apply. Your Committees further amended this bill by rewording § -412, Timber, for clarity. Your Committees made additional technical, non-substantive revisions for the sake of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2143, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2143, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Herkes, Hiraki, Takumi, Yoshinaga, Auwae, Halford, Rath and Whalen.

SCRep. 383-00 Judiciary and Hawaiian Affairs on H.B. No. 385

The purpose of this bill is to establish a civil cause of action, provide for enhanced criminal penalties and probation requirements, and provides for a reporting mechanism to compile, track, and analyze hate crimes data.

The Department of Attorney General, the Hawaii Civil Rights Commission and concerned individuals testified in support of this measure. The Christian Voice of Hawaii and concerned individuals testified in opposition to this measure. The Office of the Public Defender submitted comments.

Your Committee amended this bill by:

1. Retaining only the provisions pertaining to hate crime reporting;
2. Conferring the responsibilities of the "Data Center" on to the Department of the Attorney General and requiring the various agencies to cooperate with the Department;
3. Conforming the definition of "Hate Crime" and "Hate Crime Date" to come within the parameters used by the F.B.I. in the collection such information; and
4. Requiring that the annual report by the Department of the Attorney General be made twenty days before the start of the legislative session.

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. 385, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 385, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Morita, Yoshinaga, Pendleton and Whalen.

SCRep. 384-00 Consumer Protection and Commerce on H.B. No. 1937

The purpose of this bill is to authorize state or county agencies other than the Public Utilities Commission (PUC), that are responsible for authorizing land use and other permits and approvals necessary for utility line construction, to:

- (1) Find that it is in the public interest to install utility lines underground; .
- (2) Seek the issuance of general obligation bonds by the Legislature, in the amount that installation of the underground lines will exceed the cost of equivalent utility and overhead line construction; and
- (3) Construct overhead lines as usual, according to the regular approval process and financed by utility tariffs if the request for issuance of bonds is not followed by authorization in the next regular legislative session.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, PUC, GTE Hawaiian Tel, Hawaiian Electric Company, Outdoor Circle, and Kauai Electric. The Environmental Center and Life of the Land commented on the bill. Testimony in opposition was submitted by the Department of Budget and Finance.

Your Committee finds that the benefits of placing electric, telephone, cable, and other utility lines underground include increased safety, enhanced aesthetics, and reduced damage and costs due to wind storms and hurricanes. Undergrounding utility lines also increases property values, and thus, tax revenues from adjacent properties.

Your Committee heard testimony that the primary barrier to locating transmission lines underground is the additional cost involved and that discussions often stall on the issue of who will pay the added cost. Under current law and procedures, these costs have generally been borne by residents and businesses in the affected area in the form of higher utility bills, although exceptions have been made in certain areas. This measure would provide for certain unspecified projects, and redistribute the cost of undergrounding among the State's taxpayers.

Testifiers took various positions on the cost of undergrounding utilities. Your Committee heard testimony that the cost shift was appropriate; the entire community benefits because the physical beauty of the islands is enhanced when underground rather than overhead wiring is installed, and additional public purposes are served by the increased safety and protection against storm damage afforded by underground utilities. Some testifiers stated that persons in the area involved should bear responsibility for the costs of undergrounding.

Other concerns with the funding mechanism under the bill included the concern that cable companies should share in the cost of underground utilities, and that issuance of general obligation bonds, while spreading the cost of underground utilities widely across the state's tax base, would also limit the amount of general obligation bonds that could otherwise be issued for competing public purposes such as public school or university projects.

Your Committee finds that the intent of this bill, which is to establish an alternative funding mechanism for underground utilities, merits additional discussion that might possibly resolve the various concerns and interests heard by your Committee. To ensure further discussion, your Committee has amended the bill by leaving its effective date blank.

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. 1937, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1937, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Herkes, Hiraki, Yoshinaga and Halford.

SCRep. 385-00 Consumer Protection and Commerce on H.B. No. 2811

The purpose of this bill is to amend the Patients Bill of Rights (PBR) law according to the recommendations of the Patient Rights and Responsibilities Task Force (PRRTF), by:

- (1) Defining the term "medical necessity," that provides the standard for treatment that must be included in any category of services covered by a health plan, to mean treatment:
 - (A) Recommended by a licensed provider or the treating physician;
 - (B) That is the most appropriate level of service;
 - (C) Known to be effective based on the following hierarchy of criteria:
 - (i) Scientific evidence;
 - (ii) Professional standards of care; and
 - (iii) Expert opinion;

and

- (D) That is cost-effective as compared to other interventions;
- (2) Providing patients and their physicians with the ability to request expedited internal or external review of managed care plan denials of pre-service medical coverage; and
 - (3) Authorizing the Insurance Commissioner (Commissioner) to retain an independent review organization to assist the Commissioner in conducting external reviews.

Your Committee received testimony in support of this measure from the Commissioner testifying as chair of the PRRTF, Kaiser Permanente, Kokua Council, and a retired nurse who is also a member of the PRRTF.

Testimony supporting and opposing various portions of the bill was submitted by the Hawaii Medical Service Association. The Hawai'i Nurses' Association and Hawaii Chapter, American Academy of Pediatrics supported the intent of the bill. Comments were provided by the Department of Health, Hawaii Medical Association and Hawaii Psychological Association. Hawaii Biodyne, Inc., testified in opposition. Most of those testifying also suggested amendments.

Those requesting that this bill be amended, raised the following issues:

- (1) While replacing the term "treating physician" with "licensed health care provider" would have the intended effect of including other health care professionals such as nurses, and is a term already defined in of the Hawaii Revised Statutes (HRS), it would also include state licensed providers that do not fall under certain health plan contracts;
- (2) Provisions of the bill requiring disclosure of internal review decisions to the Commissioner may conflict with the state Privacy of Health Care Information Act, or federal laws regulating substance abuse or AIDS treatment information, and may also have a chilling effect on the ability of patients to freely utilize the right to regular and expedited internal review under the PBR;
- (3) The requirement that a final internal review decision be rendered within 45 days of submission of the complaint differs from the industry standard of 30 days of receipt of necessary clinical information or record, and in some cases may inadvertently waste resources by causing denial of coverage due to insufficient information resulting in an additional, external review;
- (4) The criteria for deciding the medical necessity of an intervention, as well as the related definition of "health intervention," do not include language stating that the intervention in question may be for the purpose of preventing or ameliorating a medical condition, and may thus be read to exclude preventative care interventions of importance in the pediatric context, with respect to children with special needs;
- (5) The use of cost effectiveness as one of the four primary criteria for determining medical effectiveness is unwise, because the term is not subject to a universally accepted definition, may be employed subjectively, and is an imprecise tool allowing bias in the analysis of medical necessity which should be either eliminated, or at least lowered to evidence which could be considered;
- (6) The hierarchy of information to be considered when determining medical necessity, which places scientific evidence first, followed by standard of care, then expert opinion, may be inappropriate to determine necessary care in the pediatric context and as applied to special needs patients who are not the "average" clinical trial subject; and
- (7) The kinds of scientific evidence that may be considered is too narrowly limited to "medical journals" and excludes a significant volume of psychosocial and behavioral research relevant to interventions such as substance use cessation and chronic pain management, whereas use of the broader standard of "peer reviewed professional journals" would reflect the diversity of available research while maintaining high standards of research evidence.

Although it appears that many issues remain to be resolved by the various participants of the PRRTF, your Committee also understands that this bill involves complex subject matter requiring the difficult balancing of many interests in a new area of the law. Your Committee:

- (1) Notes that the PRRTF is scheduled to meet again on February 23, 2000;
- (2) Commends the participants of the PRRTF for their commitment, hard work, and insightful evaluations of the bill; and
- (3) Urges task force members to continue the progress they have made toward developing this model legislation.

Your Committee has amended this measure as requested by the Commissioner to remove the redundant term "licensed" from "licensed health care provider," and to define the term "health care provider" consistent with the statutory definition in section 286-163 or 327E-2, Hawaii Revised Statutes.

Technical, nonsubstantive amendments have also been made for purposes of clarity, consistency, and style. In addition, to ensure further discussion of this measure, your Committee has replaced its effective date with a blank.

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. 2811, 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. 2811, H.D. 2.

Signed by all members of the Committee except Representatives Herkes, Morita, Takumi, Yoshinaga and Rath.

SCRep. 386-00 Consumer Protection and Commerce on H.B. No. 2843

The purpose of this omnibus measure is to offer different approaches to pursuing the undergrounding of overhead utility lines that were included in separate bills drafted by the Legislative Reference Bureau in its report in response to Senate Concurrent Resolution No. 30, S.D. 1, enacted in 1999.

Your Committee received testimony supporting this measure from The Office of Hawaiian Affairs, Outdoor Circle, and a private individual. Testimony in support of the alternative dispute resolution section of the bill and suggesting an amendment, was submitted by the Judiciary. The Department of Commerce and Consumer Affairs and Department of Transportation supported the intent of the measure, but also stated opposition and concerns regarding parts of the bill. The Public Utilities Commission (PUC), Kauai Electric, Life of the Land, and Environmental Center supported the bill in part, and opposed the bill in part. Hawaiian Electric Company, Inc., commented. Testimony in opposition to the measure was submitted by the Department of Taxation and GTE Hawaiian Tel.

Your Committee heard testimony that the purpose of encouraging undergrounding was a commendable one, and that many of the provisions of this bill had merit. However, testifiers also expressed concerns that the bill enacted duplicative regulation, merely restated existing duties of the PUC, and distributed the costs of undergrounding inappropriately.

Your Committee has significant concerns regarding this measure. However, your Committee believes that there is merit in keeping it alive for discussion purposes, and thereby providing the Legislature with a source of a variety of different ideas on the subject of utility undergrounding. Your Committee has accordingly replaced the effective dates of this bill with blanks to encourage further consideration and discussion of the bill. Technical, nonsubstantive amendments were also 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. 2843, 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. 2843, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Garcia, Hiraki, Takumi, Yoshinaga, Halford and Whalen.

SCRep. 387-00 Consumer Protection and Commerce and Judiciary and Hawaiian Affairs on H.B. No. 2004

The purpose of this measure is to empower the Director of the Office of Information Practices (OIP) oversight and enforcement authority related to the protection of privacy of health care information.

Testimony in support of this measure was submitted by the OIP, Department of Commerce and Consumer Affairs, Hawaii Medical Association, and a concerned citizen.

Testimony in opposition to this measure was submitted by the Hawaii Medical Service Association and a concerned citizen.

Your Committees have a concern regarding a provision of this measure that allows the Director of OIP to enjoin a person from "concealing, removing, encumbering, or disposing of assets which may be required in order to pay a civil monetary penalty." This language may be overly broad and it appears that no comparable provision exists in the Hawaii Revised Statutes.

Accordingly, your Committees have amended this measure by removing this provision from the bill. Technical nonsubstantive amendments have also been made for purposes of clarity, style, and consistency.

As affirmed by the record 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. 2004, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 2004, H.D. 1.

Signed by all members of the Committees except Representatives Chang, Garcia, Hiraki, Yoshinaga, Auwae, Halford, Pendleton and Whalen.

SCRep. 388-00 Education and Health on H.B. No. 1917

The purpose of this bill is to establish a comprehensive school health system that promotes the healthy development of all students.

The bill aims to accomplish this by establishing a comprehensive school health demonstration project and a Department of Health and Department of Education joint planning committee to coordinate a phased implementation of the comprehensive school health demonstration program. The system is to integrate programs, services, resources, and funding. The demonstration project is to operate at least one comprehensive school health program in each of the seven departmental school districts. The joint planning committee is to report progress to the Legislature before the convening of the Regular Session of 2001.

The Department of Health is to report prior to the convening of the Regular Sessions of 2002 and 2003. The bill, if enacted, is to be repealed on June 30, 2003. Finally, the bill appropriates separate unspecified amounts for fiscal year 2000-2001 for the Department of Health and the Department of Education for the demonstration project.

Your Committees believe that good health is critically important to learning and development and that the comprehensive approach embodied in this bill will not only address the growing needs of our school children but will also do so in a more streamlined and efficient manner.

Your Committees received testimony in support of the bill from the Department of Health, the Hawaii State Primary Care Association, the HGEA-AFSCME, and the Hawaii Nurses' Association. Testimony from the Hawaii State Teachers Association supports the concept of the bill.

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. 1917 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, Okamura, Stegmaier and McDermott.

SCRep. 389-00 Education and Health on H.B. No. 2543

The purpose of this bill is to transfer from the Department of Health (DOH), to the Department of Education the responsibility of providing occupational and physical therapy for public school children who need such services.

The DOH, and the Hawaii State Teachers Association supported this bill. The Hawaii Government Employees Association supported the intent of this bill. The DOE and one individual opposed this bill.

Your Committees find that the responsibility for occupational and physical therapy for public school students should reside with the DOE. The transfer of responsibility is consistent with the DOE's charge to provide free, appropriate public education including related services for qualified students.

Your Committees realize, however, that the transfer of responsibility mandated by this bill cannot be implemented immediately. Accordingly, your Committees have amended this bill by leaving the effective date open to give the DOH and DOE more time to agree to a mutually acceptable timetable for the implementation of this transfer.

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. 2543, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2543, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kahikina, Kawakami, Okamura, Stegmaier and McDermott.

SCRep. 390-00 Education on H.B. No. 2387

The purpose of this bill is to appropriate \$75,000 for the Frank Delima's Student Enrichment Program and Student Transition Convention.

Your Committee finds that Mr. Frank Delima has generously devoted his time and energy for the past fifteen years for the benefit of elementary and middle school students. Mr. Delima's Student Enrichment Program and Student Transition Convention stress the importance of treating others with respect, and emphasize reading, studying, and family.

Due to financial difficulties, Mr. Delima is unable to continue providing his program and convention without state financial assistance. This bill would provide him with the necessary funds to continue his program and convention with all kids, especially those making the awkward transition from elementary to middle schools.

Your Committee received testimony from the Superintendent of Education, the Salvation Army and several concerned citizens.

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. 2387 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. 391-00 Education on H.B. No. 2763

The purpose of this bill is to increase the qualified pool of teachers on Kauai in shortage areas, such as special education, mathematics, science, and counselor education by:

- (1) Offering teacher education and graduate level outreach programs to the island's residents; and
- (2) Allowing the University of Hawaii to offer a teacher certification program on Kauai.

The Department of Education (DOE) submitted testimony in support of this bill. The University of Hawaii submitted testimony in support of the intent of this bill.

The DOE testified that as a result of shortage of teachers in certain critical fields, DOE has had to recruit teacher candidates on the mainland. However, out-of-state recruitment has been very difficult because other school districts are able to offer monetary incentives that far exceed what the DOE is able to offer. In addition, approximately 26 percent to 47 percent of the mainland teachers hired in critical shortage areas left at the end of their first year. Although some teachers left because of the high cost of living, some teachers had difficulty adjusting to the working conditions or local cultural values and traditions. However, the attrition rates for teachers hired from our local universities have been less than 10 percent.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2763, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2763, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 392-00 Education on H.B. No. 3002

The purpose of this bill is to appropriate funds to the Department of Education (DOE) for the renovation of playgrounds to ensure compliance with safety and accessibility guidelines established by:

- (1) The United States Consumer Product Safety Commission;
- (2) The American Society for Testing and Materials; and
- (3) The American Disability Act.

The Keiki Injury Prevention Coalition and one individual supported this bill. The DOE and the Hawaii State Teachers Association supported the intent of this bill. The Department of Accounting and General Services commented on this bill.

Your Committee finds that ensuring children's safety on, and their accessibility to, playground equipment is extremely important. Many children are currently without playground equipment because of condemnation. This bill will provide the necessary funds to renovate the condemned playgrounds, assuring that children have safe, accessible equipment to use in the future.

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

- (1) Adopting the suggestions of the DOE that expands the scope of the bill to include any materials necessary to ensure compliance with the applicable guidelines;
- (2) Requiring that appropriations be made according to the master plan devised by the DOE; and
- (3) Making technical, nonsubstantive revisions for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3002, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 393-00 Education on H.B. No. 2491

The purpose of this bill is to set the price of school lunches in proportion to the total cost of operating the school food services program by allowing the Department of Education (DOE) to adjust the price to maintain this proportion.

The price will be limited to one-third the cost of preparing the lunches, rounded up to the nearest 25 cents. The DOE will continue to provide lower cost meals to those who qualify.

The DOE testified in favor of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2003; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2491, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2491, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 394-00 Education on H.B. No. 2265

The purpose of this bill, as received by your Committee, is to change district boundaries for the Board of Education (BOE).

For purposes of discussion and public hearing, your Committee circulated a proposed H.D. 1 version of the bill. The proposed H.D. 1 version:

- (1) Proposes an amendment to Article X, Section 2, of the State Constitution to reduce the composition of the BOE to nine members:
 - (A) Six of whom are elected by qualified voters, with one elected member residing in each departmental school district of the second school board district; and
 - (B) Three of whom are nominated and, by and with the consent of the Senate, appointed by the Governor;and
- (2) Applies to persons elected or appointed to the BOE at the time of the special election held in conjunction with the first general election following the ratification of the proposed amendment.

BOE opposed the proposed draft.

Upon further consideration, your Committee has amended this measure by incorporating the amendments made in the proposed H.D. 1.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2265, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2265, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 395-00 Water and Land Use on H.B. No. 2667

The purpose of this bill is to limit counties' liability for hazardous recreational activities including animal riding, hiking, off-road motorcycling, hand gliding, rodeo, sport parachuting, among other activities, except when death or injury occurred as a direct result of county's failure to warn when the county had actual knowledge of physically hazardous conditions, or physically hazardous condition not known or would not have been known to reasonably prudent person, or for gross negligence, recklessness, or wilful, wanton, deliberate conduct.

Testimony in support of this bill was received by the Mayor of the County of Kauai, the Council Chair of the County of Maui, and one concerned citizen.

Testimony in opposition to this bill was received by the Consumer Lawyers of Hawaii.

Your Committee finds that the existing law does not limit the liability of the counties for injury or damage caused by voluntary participation in or observation of hazardous recreational activities, unfairly leaving county taxpayers at risk when individuals choose to take such perilous action.

Your Committee, further, finds that limiting liability for hazardous recreational activities would justifiably require individuals to take responsibility for their actions and decisions in participating in or observing such activities.

Your Committee, moreover, finds that the counties are exposed to great liability for injury or damage caused by voluntary participation in or observation of hazardous recreational activities. Without this law, individuals may knowingly participate in hazardous recreational activities without taking responsibility for their actions or assuming the risk of injury, death or damage.

Your Committee urges that the Committee on Judiciary and Hawaiian Affairs carefully review CLH's concerns that it is not good public policy when the law creates a host of different standards for different entities or groups and that this bill seems to be in conflict with other sections of the Hawaii Revised Statutes.

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. 2667 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 Schatz.

SCRep. 396-00 Water and Land Use on H.B. No. 1902

The purpose of this bill is to maximize the use of potable water by using nonpotable water when feasible. This bill authorizes the Commission on Water Resource Development (Commission), as a condition for issuing use permits pursuant to the State Water Code, to require the use of dual line water supply systems in new industrial and commercial developments located in designated water management areas. Under a dual line water supply system, potable and nonpotable water are distributed through parallel but separate distribution lines.

The Commission and the Honolulu Board of Water Supply testified in support of this bill. The Land Use Research Foundation and Castle & Cooke, Inc., opposed passage of this measure.

Your Committee has amended this bill by deleting the following two conditions under which the Commission shall not require the use of dual line water supply systems:

- (1) There is a threat to existing instream uses; and
- (2) There is a threat to existing reasonable-beneficial uses within or outside a designated water management area;

and inserting the following conditions:

- (1) A source of nonpotable water will not be reasonably available in the near future; and
- (2) There is a serious threat to permitted ground or surface water uses within a designated water management area.

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. 1902, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1902, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 397-00 Water and Land Use on H.B. No. 2743

The purpose of this bill is to prohibit the Land Use Commission (LUC) and the county zoning agency from imposing a condition on an application where the area of concern covered by the condition was addressed by the other agency.

The LUC and the Office of Planning supported the intent of this bill. The Department of Land and Natural Resources (DLNR) supports the intent of this bill and deferred to the Land Use Commission with regard to the specifics of this bill.

Your Committee finds that in the current land use regulatory system (regulatory system) in Hawaii, it is not uncommon for a government agency to impose conditions in the same area of concern that was previously addressed by another agency. This duplicative effort removes the critical factor of accountability in government agencies. Effective, efficient, and economical government operations mandate that an agency perform its functions in such a comprehensive and conscientious manner that another agency in its review or action can confidently focus its attention and resources on areas of concern that were not addressed by the other agency.

The State and county governments have had continuing discussions for approximately three years on various remedial actions to make the regulatory system more effective, expeditious, and cost effective.

The establishment of a task force to study and recommend changes to the regulatory system will not only encourage citizen participation, but will provide real insight by which to fashion effective solutions to the problems plaguing the regulatory system.

Upon careful consideration, your Committee has amended this measure by deleting the substance of the bill and inserting the task force provisions in HB No. 178, H.D. 2 that crossed over to the Senate and carried over to this legislative session. The amendments:

- (1) Establishes the Land Use Planning Task Force (Task Force) that will submit a report to the Legislature of the Regular Session of 2001 with recommendations for specific constitutional and statutory changes that will have the effect of:
 - (a) Eliminating duplicative action and inefficiency;
 - (b) Establishing clear and separate accountability for the State and the counties; and
 - (c) Reducing the time to process governmental approvals;
 - (2) Provides that if the Task Force fails to meet its mandate, the Auditor will submit a report to the Regular Session of 2002 that will address:
 - (a) The circumstances surrounding the failure of the Task Force to meet its mandate;
 - (b) The nature and extent of duplicative governmental action in a common area of concern with respect to the enforcement of land use regulations where a landowner must obtain the approval of both the State and the county; and
 - (c) Recommendations and specific constitutionally-acceptable and statutory changes to eliminate costly and unnecessary duplication and inefficiency that exist under the regulatory system;
- and
- (3) Establishes a special fund to be funded by private monies to pay the travel cost of members of the Task Force in the performance of their duty.

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. 2743, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2743, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola and Kanoho.
(Representative Thielen voted no.)

SCRep. 398-00 Water and Land Use on H.B. No. 2835

The purpose of this bill is to protect watershed areas by:

- (1) Establishing a Watershed Protection Trust Fund (Fund) to fund public and private watershed management projects benefiting water quality, water quantity, and general watershed values within designated watershed areas;
- (2) Establishing a Watershed Protection Trust Fund Review Board (Review Board) to, among other powers and duties, identify watershed management areas; and
- (3) Imposing a watershed protection tax on all water from municipal and private water systems.

The Department of Land and Natural Resources submitted testimony in support of this bill, with recommendations. The Department of Environmental Services submitted testimony in opposition to the bill as currently written. The Tax Foundation of Hawaii submitted comments. Concerned citizens submitted comments with recommendations.

Your Committee finds that Hawaii's forests function as critical watersheds and are the primary source of fresh water for the islands. Since the turn of the century, public and private investment in watershed protection and management has increasingly diminished resulting in the degradation of the forested uplands that affects the dependable supply of clean fresh water.

Fresh water is not an infinite resource and its high quality, quantity, and sustainability are essentially linked to the existence of forested watersheds. This bill establishes the infrastructure and a dedicated source of funds to protect, preserve, and enhance important watershed areas.

Your Committee has amended this bill by:

- (1) Using the Fund to:

- (A) Pay the cost to monitor various watershed resources, such as stream and rainfall gauging; and
- (B) Pay administrative costs;
- (2) Changing the professional qualifications of two members of the Review Board to fields such as biology, ecology, or forest management;
- (3) Adding duties and powers to the Review Board relating to:
 - (A) The levy, assessment, and collection of the watershed protection tax;
 - (B) Identification of water users that are not contributing to the trust fund; and
 - (C) The equitable collection of the watershed protection tax;
- (4) Imposing on the Public Utilities Commission the duty to collect the watershed protection tax from utility companies that the Commission regulates; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2835, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2835, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Garcia.

SCRep. 399-00 Agriculture on H.B. No. 2403

The purpose of this bill is to repeal Chapter 148D, Hawaii Revised Statutes (HRS), the statute establishing the Hawaii Aquaculture Advisory Council (HAAC).

Your Committee finds that due to downsizing and consolidation of the aquaculture functions into the Department of Agriculture and the establishment of an effective statewide industry organization, the Hawaii Aquaculture Association, the need and purpose for HAAC have diminished. The Hawaii Aquaculture Association can represent the industry issues and any concerns be brought directly to the Board of Agriculture.

The Board of Agriculture and the Hawaii Aquaculture Association submitted testimonies in support of this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2403 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara.

SCRep. 400-00 Agriculture on H.B. No. 2801

The purpose of this bill is to require the Department of Agriculture to survey and sample swine farms to detect porcine respiratory and reproductive syndrome.

An individual testified in support of this bill. The Board of Agriculture testified in support of the intent of this bill.

Your Committee amended this bill to correct technical and stylistic errors.

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. 2801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2801, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Ito, Luke, Morihara and Rath.

SCRep. 401-00 Agriculture on H.B. No. 3024

The purpose of this bill is to support the cultivation of agricultural lands by authorizing the Department of Land and Natural Resources (DLNR) to negotiate long-term leases under specific terms, conditions, and restrictions imposed under the bill with certain permittees of agricultural land.

A council member from Kauai County, the Hawaii Farm Bureau Federation, the Kauai Economic Development Board, No ka 'oi Plants, and an individual testified in support of the measure. DLNR and an individual submitted testimony in opposition to this measure.

Your Committee recognizes the dilemma and concern that farmers face due to the near expiration of their agricultural leases on state lands. This bill will enable these farmers to secure necessary financing to make improvements to and maintain their leased land, as well as ensure continued investment and efforts in agricultural activity on such land.

Upon consideration, your Committee has amended this bill by giving the Board of Land and Natural Resources the option to require the payment of annual lease rent based on fair market value from the lessee, provided that DLNR shall accept, in lieu of cash payment or a part thereof, the appraised value of improvements made (as determined by DLNR by rule) to the leased property.

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. 3024, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3024, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Ito, Morihara and Rath.

SCRep. 402-00 Agriculture and Public Safety and Military Affairs on H.B. No. 1889

The purpose of this bill, as received by your Committees, is to provide a fee discount for state-required animal quarantine charges for active duty military personnel.

The Hawaii Business Roundtable, the Chamber of Commerce of Hawaii, and the Hawaiian Humane Society testified in support of the intent of the measure. Supporting testimony was also submitted by several individuals from the military community. Comments were submitted by the Department of Agriculture.

Your Committees recognize that the State's Animal Quarantine Program is a public health and safety concern, and therefore, the cost of animal quarantine should be borne by all of the people of Hawaii and not only those persons who are required to use the services and facilities of the Animal Quarantine Station. Therefore, it is your Committees' belief that any reduction in fees for users of the Animal Quarantine Station should apply to both military and civilian users.

Upon consideration, your Committees have amended this bill by deleting its substance and inserting new material, the purpose of which is to:

- (1) Reduce the user fee of the Animal Quarantine Station by an unspecified percentage of the user fee rate that existed on January 1, 2000;
- (2) Forgive \$600,000, which was appropriated for start-up costs from the general fund into the Animal Quarantine Special Fund (Fund); and
- (3) Appropriate \$300,000 for fiscal year 2000-2001 and \$300,000 for fiscal year 2001-2002 for deposit from the general fund into the Fund.

As affirmed by the records of votes of the members of your Committees on Agriculture 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. No. 1889, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1889, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Luke, Morihara, Pendleton and Rath.

SCRep. 403-00 Agriculture and Water and Land Use on H.B. No. 1998

The purpose of this bill is to allow the Department of Land and Natural Resources (DLNR) to extend leases made for agricultural purposes to lessees in good standing, provided that:

- (1) The lessee pays a premium equal to two years lease rent as a condition of the extension; and
- (2) DLNR may accept, in lieu of cash payment or a part thereof, the value of improvements made (as determined by rule) to the leased property within ten years of the extension.

The Big Island Farm Bureau, GARST, Hawaiian Sunshine Nursery, Inc., H. Eunice Nursery, Inc., the Hawaii Farm Bureau Federation, the Hawaii Egg Producers Cooperative, and an individual testified in support of this measure. The Hawaii Agriculture Research Center and the Hawaii Aquaculture Association testified in support of the intent of this measure. An individual testified in opposition to the measure. Comments were received from DLNR, the Pineapple Growers Association of Hawaii, and an individual.

Your Committees note that within the next ten years, over 30 percent of the State's agricultural leases will expire. Current practice requires that these agricultural leases go through an auction process with the lease given to the highest bidder. Your Committees find that existing tenants have no recourse to extend their leases unless the tenant is the highest bidder in the auction. In addition, existing tenants must also bid on the improvements they have made on their leased land. This bill provides farmers with some security for their infrastructure investment on leased state land.

Upon consideration, your Committees have amended this bill by:

- (1) Deleting the provision relating to the extension of leases made for agricultural purposes by DLNR to a lessee in good standing;
- (2) Deleting the payment stipulations;
- (3) Giving current lessees, at the time of expiration of their agricultural leases, a right of first refusal to lease their property, provided that the right shall lapse unless DLNR is notified in writing of the exercise of the right within an unspecified number of days after the auction; and
- (4) Crediting the appraised value of all infrastructure directly related to the agriculture operation and installed by the current lessee, toward the price the current lessee must match in exercising the lessee's right of first refusal.

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. 1998, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1998, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Garcia, Herkes, Ito, Kanoho, Luke, Morihara and Rath.

SCRep. 404-00 Economic Development and Business Concerns on H.B. No. 2604

The purpose of this bill is to:

- (1) Impose the use tax on contracting imported for resale or use in Hawaii;
- (2) Provide pyramiding relief from the general excise tax for the sale of amusements;
- (3) Provide a lower public service company (PSC) tax rate on telecommunications services and transportation services that are resold; and
- (4) Make technical amendments to Acts 70 and 71, Session Laws of Hawaii (SLH) 1999.

Act 70, SLH 1999, exempted contracting and services exported out of state from the General Excise Tax (GET) and imposed the use tax on imported services. While Act 70 addressed services, contracting was inadvertently excluded. Among other things, this bill corrects this oversight by subjecting contracting imported into the State to the use tax.

Act 71, SLH 1999, provided for a phased-in reduction of the GET on services so that by 2006, the four percent GET rate will be reduced to 0.5 percent. In addition, Act 71 expanded the treatment of intermediary sales by treating all intermediary services as wholesale sales.

The Department of Taxation (DOTAX) submitted testimony in support of this bill, but recommended as amendment. The Consumer Advocate, the Tax Foundation of Hawaii, GTE Hawaiian Telephone, AT&T, and Honolulu Freight Service submitted comments on the bill.

Your Committee recognizes the concerns raised regarding the pyramiding of tax on freight forwarders and encourages the freight forwarders and DOTAX to continue dialogue on the concerns raised.

Your Committee has amended this bill by:

- (1) Changing the PSC tax percentage amounts for public utilities engaged in the business of selling telecommunication services to persons who resell these products or services from 0.5 to 5.5 percent; and
- (2) Making technical, nonsubstantive amendments to conform to drafting conventions and for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2604, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Ito and Morihara.

SCRep. 405-00 Judiciary and Hawaiian Affairs on H.B. No. 2453

The purpose of this bill is to repeal the excess revenue tax refund, to establish a fund for emergency and budget reserve purposes, and to clarify that appropriations to that fund are excluded from the general fund expenditure ceiling, while appropriations from that fund are included in the general fund expenditure ceiling. Further, no expenditures shall be made from that fund except pursuant to appropriations approved by a three-fourths vote of the members of each house of the legislature.

Testimony in support of this measure was received from the State Department of Budget and Finance, and Tax Foundation of Hawaii.

Your Committee finds that the provisions of this bill create a mechanism for the State to build a financial reserve to be used when there is an emergency, an economic downturn, or an unforeseen reduction in revenue.

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. 2453 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, Yoshinaga and Whalen.

SCRep. 406-00 Judiciary and Hawaiian Affairs on H.B. No. 303

The purpose of this bill is to require that any replica or false identification clearly state that the document is not authentic and to prohibit persons ages 18 to 21 from using false identification to purchase alcohol, obtain employment to sell alcohol on licensed premises, or to enter adult establishments.

The Attorney General and the Honolulu Police Department testified in support of the intent of the measure. The Hawaii League of Savings Institutions, the Hawaii State Association of Counties, and the Legislative Information Services of Hawaii commented on the measure.

Your Committee finds that there is a growing problem of minors and persons ages 18 through 21 purchasing fraudulent identification documents.

Your Committee has amended this bill by deleting its contents and replacing it with the contents of H.B. No. 2411 which creates a new felony offense that criminalizes the sale or manufacture of deceptive identification documents.

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. 303, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 303, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Takumi, Yoshinaga and Whalen.

SCRep. 407-00 Judiciary and Hawaiian Affairs on H.B. No. 2829

The purpose of this bill is to appropriate funds to the Elections Appointment and Review Panel (EARP).

The Attorney General and the EARP testified in support of this bill.

Your Committee finds that Act 141, Session Laws of Hawaii, 1999, established the EARP and gave it the task of, among other things:

- (1) Establishing performance standards for the operations of elections;
- (2) Establishing policies for the administration of an elections' observer program; and
- (3) Adopting administrative rules.

However, your Committee finds that no funds were allocated to the EARP at that time. This measure will provide the needed funds to allow the EARP to perform its statutorily mandated duties.

Your Committee further finds that under current law the elections officer can be removed for any cause shown. Your Committee believes that the elections officer should only be removed upon a showing of good cause. As such, your Committee has added an amendment to section 11-1.6(g), Hawaii Revised Statutes, to require that removal of the elections officer shall be for good cause instead of any cause.

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. 2829, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2829, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Yoshinaga.

SCRep. 408-00 Judiciary and Hawaiian Affairs on H.B. No. 2506

The purpose of this bill is to allow the Department of Human Services to obtain national and local criminal history record information on prospective adoptive parents and to authorize the department to contract for home studies of prospective adoptive parents.

Testimony in support of this bill was provided by the State of Hawaii Department of Human Services and the State Attorney General.

Your Committee finds that enabling the Hawaii Criminal Justice Data Center to perform criminal record checks on prospective adoptive parents, and authorizing the Department of Human Services to utilize Hawaii social workers with specialized adoption experience to perform home studies will assist the Department of Human Services in carrying out its duties in compliance with requirements of federal law.

Your Committee has made technical, non-substantive amendments for the sake of 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. 2506, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 2506, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Morita, Yoshinaga, Pendleton and Whalen.

SCRep. 409-00 Judiciary and Hawaiian Affairs on H.B. No. 1275

The purpose of this bill is to require 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 requires the reporting of any criminal assault on hospital personnel within 72 hours of the incident.

The Healthcare Association of Hawaii and a member of the public testified in support of the measure. The Office of the Public Defender commented on the measure. The Hawaii Nurses Association also testified.

Your Committee finds that assaults on hospital personnel by patients are a growing concern.

Your Committee has amended this bill by:

- (1) Including in the definition of "dangerous instrument" any inherently dangerous hospital equipment;
- (2) Including in the definition of "hospital" all hospital buildings and related structures and areas, including storage facilities, parking structures, adjacent grounds and walkways that are situated on hospital property;
- (3) Requiring the hospital, when developing the security plan to consider the guidelines, requirements, or standards on violence in health care facilities issued by the Joint Commission on Accreditation of Health Care Organizations;
- (4) Requiring the hospital administrator to report acts of violence upon hospital personnel, patients, and visitors to local law enforcement agencies within seventy-two hours from the time of the incident; and
- (5) Providing the hospital administrator immunity from liability resulting from the reporting of known or suspected instances of criminal assault.

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. 1275, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1275, H.D. 1.

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

SCRep. 410-00 Energy and Environmental Protection on H.B. No. 2540

The purpose of this bill is to mitigate the impacts of global greenhouse emissions by:

- (1) Authorizing the Director of Health to assess fees on air pollution sources;

- (2) Establishing a Climate Change Special Fund Account for the deposit of these fees; and
- (3) Allowing these funds to be used for the purpose of, among other things:
 - (A) Reducing air pollution;
 - (B) Reforestation and wildlife fire prevention and suppression; and
 - (C) Establishing carbon banks and other financial instruments to expedite the trading of carbon credits.

The Hawaii Chapter of the Sierra Club, the Department of Health, the Department of Land and Natural Resources, the Fire Chief of Honolulu, the Honolulu Fire Department, the Fire Chief of the County of Hawaii, the Hawaii County Fire Department, the Fire Chief of the County of Kauai, the Kauai County Fire Department, the State Fire Council, and a concerned individual submitted testimony in support of this bill. The Western State Petroleum Association, and three concerned individuals offered comment on this bill. The Hawaii Agricultural Research Center, Hawaiian Commercial and Sugar Company, Kalaeloa Partners, Tesoro Hawaii, Hawaiian Electric Company, and Kauai Electric submitted testimony in opposition to this bill.

Your Committee has 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 Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2540, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2540, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 411-00 Energy and Environmental Protection on H.B. No. 2545

The purpose of this bill is to delete the requirement that amounts in excess of \$300,000 in the environmental health education fund on June 30 of each year be transferred to the general fund.

The bill also would delete the existing cap on the use of the fund for administration purposes and expand the use of the fund to support program activities other than education.

Your Committee acknowledges the concern noted by the University of Hawaii's Environmental Center that the deletion of the cap on administration costs could result, theoretically, in almost all of the money in the fund being used for administration purposes.

Your Committee has amended the bill, at page 2 lines 8-9, to clarify that the program activities for which the fund may be used to provide fiscal support are those program activities defined by section 321-27(b). Your Committee has also made technical nonsubstantive corrections.

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. 2545, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2545, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola.

SCRep. 412-00 Energy and Environmental Protection on H.B. No. 2011

The purpose of this bill is to require the incorporation of the Hawaii Model Energy Code standards for residential buildings into county building codes. These standards would be applicable to all previously unoccupied new residential buildings sold after July 1, 2001.

Your Committee finds that Hawaii's residents and businesses presently spend approximately \$2,700,000,000 yearly on energy costs. Your Committee also finds that compliance with the Model Energy Code standards for residential buildings would dramatically reduce homeowners' utility costs, help keep Hawaii's environment clean by decreasing fossil fuel burning, and help postpone the need to construct new electric generating facilities.

Your Committee notes that, although some concerns were raised that the bill might constitute an unfunded mandate, your Committee believes that the cost of compliance would be minimal and could be absorbed easily within the present functions of each county's building department.

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. 2011 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 Kanoho.

SCRep. 413-00 Consumer Protection and Commerce and Judiciary and Hawaiian Affairs on H.B. No. 1877

The purpose of this measure is to establish personal privacy protections to enhance and support the use of the internet as a commercial marketplace in this state. This measure regulates the collection, use, and disclosure of personal information by private organizations, thereby encouraging Hawaii's citizens to use the internet to transact business, and making possible, international exchange of information with nations with established personal information protection requirements.

Testimony in support of this measure was submitted by the Office of Information Practices, League of Women Voters of Hawaii (LWVH), Australian Privacy Charter Council, a professor of information technology law at the University of New South Wales, and the Australia Federal Privacy Commissioner. LWVH also proposed amendments. Your Committees heard testimony in support of the intent of this measure but requesting that the measure be held in committee, from the Retail Merchants of Hawaii and the Hawaii League of Savings Institutions.

The Hawaii Food Industry Association stated that they were not opposed to the intent of the bill but needed time for further review of its provisions. The Department of Commerce and Consumer Affairs, American Council of Life Insurance, Common Cause Hawaii, and Hawaii Government Employees Association commented on the bill.

Testimony opposed to this measure was submitted by the Hawaii Financial Services Association, Mortgage Bankers Association of Hawaii, Associated Credit Bureaus, Inc., Hawaii Insurers Council, State Farm Insurance Companies, Hawaii State Association of Life Underwriters, Hawaii Chapter of Society of Human Resource Management, Hawaii Bankers Association, Hawaii Association of Realtors, and the University of Hawaii Professional Assembly.

Your Committees heard testimony that in countries taking the lead in the development of the information economy, such as Australia, there is clear evidence of consumer demand for protection of personal information. There was testimony that the bill follows the "Asia-Pacific" model, an information protection solution that learns from more than 20 years of data protection and privacy regulation around the world. Although the model provides the same level of protection required under European data protection laws and thus facilitates data exchange with Europe, it differs in that it is "light-touch" legislation providing a moderate and flexible means of privacy protection. The most distinctive feature of the model is its co-regulatory scheme consisting of the provision made for industry-specific codes of practice. Legislation containing elements of the Asia-Pacific model was enacted in New Zealand in 1993, and Hong Kong in 1995. In Australia, bills based on a co-regulatory approach are proceeding in the State of Victoria and the Federal Government.

Your Committees heard a number of concerns expressed about the bill, which include:

- (1) The cost of implementing the bill is unknown, and the bill needs further study and review;
- (2) The "opt-in" consumer provision would in practice require a customer to give consent each time information is collected and used, and would negatively impact the flow of information between, and costs to businesses. Testifiers requested that an "opt-out" requirement be substituted, allowing customers to notify a business that it does not want personal information to be collected, used, or shared;
- (3) The law would duplicate federal information protections under federal laws, would cause uniformity problems for institutions operating on a national basis, and might cause problems because of regulations not yet finalized, but scheduled to be adopted under the Gramm-Leach-Bliley Act; and
- (4) Labor unions would be unable to fulfill representation and benefit program obligations because the law would require innumerable consents be obtained as personal information of employees was transmitted between employees, the organization, and agencies including the Employees Retirement System, and the Public Employees Health Fund.

Your Committees recognize the concerns of those testifying, and at the same time, find that personal privacy protections are a necessary part of the new informational economy, the success of which will benefit all consumers and businesses in this state. In recognition of testifiers' concerns stated in this report and heard by your Committees during their joint hearing, your Committees have made many amendments to this bill, including the following amendments to:

- (1) Exempt from regulation under the measure institutions currently subject to informational privacy regulation under federal law, and under the State's newly-enacted Privacy of Healthcare Information Act;
- (2) Exclude publicly available information from the scope of the measure, remove restrictions on the collection of information, and focus regulation on:
 - (A) The use of personal information for a purpose other than the one originally intended and provided for; and
 - (B) The disclosure of information to a nonaffiliated organization;
- (3) Replace the "opt-in" consumer provision, with an "opt-out" provision modelled on that included in the Gramm-Leach-Bliley Act;

- (4) Remove, in light of fiscal constraints, duties of OIP that are not essential to personal information protection, and also redundant powers, and those with no apparent function;
- (5) Clarify that there is no private right of action under the bill;
- (6) Clarify the authority of the OIP Director to interpretation and application of the law, and provides that the Director may enforce codes of information practice by issuing formal interpretations of a code and issuing cease and desist orders;
- (7) Remove provisions making owners, partners, the president, or all members of the board of directors of a corporation accountable for compliance with the chapter in the absence of the appointment of an individual responsible for compliance;
- (8) Clarify venue for chapter 91 appeals of cease and desist orders, and the prosecution by the Attorney General, of violation of these orders; and
- (9) Add repeal language consistent with provisions calling for a reevaluation of the law in the fourth year of enactment.

Finally, numerous technical, nonsubstantive amendments have also been made for purposes of clarity, consistency, and style. Your Committees have also removed the effective date of this measure to ensure that the issues raised by those testifying on this bill receive further consideration.

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. 1877, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1877, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, Kaho'ohalahala, Morita, Rath and Whalen.

SCRep. 414-00 Consumer Protection and Commerce and Judiciary and Hawaiian Affairs on H.B. No. 2961

The purpose of this measure is to prohibit the sale of "export" cigarettes and the altering of these cigarette packages. This measure requires documentation of foreign cigarettes by a provisions for violation by a licensee has been included in the bill.

cigarette sales to minors and the sale and trafficking of illegal cigarettes. Your Committees find that this measure would help to reduce sales of untaxed cigarettes, help stem black market activity, and protect the health of Hawaii's children.

Testimony was received in support of this measure from the State Department of Taxation, the Hawaii Nurses' Association, and a volunteer consumer advocate. The Department of Health(DOH), the Coalition for a Tobacco Free Hawaii, and the Hawaii Food Industry Association supported the intent of this measure.

The Department of Liquor Control, County of Hawaii, with concurrence from the County of Maui and County of Kauai Liquor Departments, and the City and County of Honolulu Liquor Commission opposed portions of this measure which seek to mandate and task them with the enforcement of this measure.

The Office of Information Practices (OIP) takes no position on the substance of this bill. The Tax Foundation of Hawaii and OIP offered comments.

Your Committees, upon further consideration, have streamlined this measure to meet the concerns of those who testified. Following further discussion with the DOH and the Department of the Attorney General, this measure has been amended by:

- (1) deleting all references to licensing;
- (2) deleting all references to the cigarette stamp tax; and
- (3) leaving the effective date blank to ensure further discussion.

Your Committees are also requesting the Finance Committee to determine whether the criminal penalties that are included in this measure are too severe.

Technical, nonsubstantive amendments have also been made for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2961, 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. 2961, H.D. 2.

Signed by all members of the Committees except Representatives Chang, Garcia, Hiraki, Yoshinaga, Auwae, Halford and Whalen.

SCRep. 415-00 Labor and Public Employment on H.B. No. 2554

The purpose of this bill is to uniformly require Special Compensation Fund (SCF) contribution for preexisting injuries by:

- (1) Applying the 32-week threshold for triggering contribution from the SCF to permanent partial disability cases, and not only cases of death or permanent total disability;
- (2) Repealing application of section 386-33(a) and (b), Hawaii Revised Statutes (HRS), to all cases where the injury occurs on or after May 15, 1982, and combines with the previous disability to result in a greater disability or death; and
- (3) Repealing application of section 386-33(a)(1), HRS, to all cases where the injury occurs on or after July 1, 1995, and combines with the previous disability from a compensable injury to result in a greater permanent partial disability.

The Department of Labor and Industrial Relations testified in favor of this bill. The ILWU Local 142 testified against the bill as drafted and recommended retaining the provision applying section 386-33(a)(1), HRS, to all cases where the injury occurs on or after July 1, 1995.

Currently, the 32-week requirement for subsequent injuries that increase disability in section 386-33, HRS, only applies to cases of permanent total disability or death. Employees with a permanent partial disability are now exempt from the 32-week requirement.

As a result, contributions must be made from the SCF in cases of permanent partial disability, even though the 32-week requirement for pre-existing disability is not met. If not corrected, this inconsistency will result in increased litigation and confusion in cases of permanent total disability or death occurring after permanent partial disability is awarded.

ILWU Local 142 opposed repealing application of section 386-33(a)(1), HRS, to all cases where the injury occurs on or after July 1, 1995. Workers injured before July 1, 1995, are now entitled to claim the full and true extent of their permanent disability for each of the successive injuries they suffer without their permanent disability being offset because they had prior awards of permanent partial disability. ILWU Local 142 objected to retroactively changing the ground rules for computing permanent disability and depriving injury victims of compensation to which they would have been entitled.

Upon further discussion, your Committee finds that changes suggested by the ILWU Local 142 are acceptable to your Committee and the Department of Labor and Industrial Relations. Accordingly, your Committee has amended this bill by retaining the provision applying section 386-33(a)(1), HRS, to all cases where the injury occurs on or after July 1, 1995, and combines with the previous disability from a compensable injury to result in a greater permanent partial disability.

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. 2554, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2554, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

SCRep. 416-00 Labor and Public Employment on H.B. No. 101

The purpose of this bill is to allow retired members of the Employees' Retirement System (ERS) who performed fingerprinting identification during the war years the opportunity to buy back their lost months of temporary membership service credit during the war years.

Testimony in support of this bill was submitted by the United Public Workers and a concerned individual. Testimony in opposition to this bill was submitted by the ERS.

Your Committee finds that these individuals may not have been fully informed of their right to buy-back their lost months of temporary hire when it occurred during the war years.

Your Committee has amended this bill by changing the date by which a retired member may purchase membership service credit to December 31, 2000.

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. 101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 101, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 417-00 Labor and Public Employment on H.B. No. 2520

The purpose of this bill is to assist injured workers return to work while helping businesses control costs by:

- (1) Allowing a self-insured or insured employer to provide job placement within its organization pursuant to an approved return to work plan;
- (2) Allowing a qualified employee to select a vocational rehabilitation provider if the employer elects not to or is unable to provide job placement;
- (3) Utilizing rehabilitation services on the employee's home island where possible;
- (4) Allowing for the purchase of tools or equipment necessary for training but not for items associated with starting a business; and
- (5) Limiting the fees charged for vocational rehabilitation services to a reasonable and customary amount.

The Department of Human Resources Development, the Department of Human Resources of the City and County of Honolulu, Argonaut Insurance Company, Small-Business Economic Revival Force, and the Building Industry Association of Hawaii testified in support of this bill.

The ILWU Local 142, the National Association of Rehabilitation Professionals, and concerned citizens testified in opposition to this bill.

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 Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2520, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2520, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Saiki and Rath.

SCRep. 418-00 Labor and Public Employment and Consumer Protection and Commerce on H.B. No. 2289

The purpose of this bill is to amend the definitions of "medical care", "medical services", or "medical supplies" as contained in section 386-1, Hawaii Revised Statutes, to include physical therapist assistants as a provider of care, services, and supplies.

The Department of Commerce and Consumer Affairs, REHAB, the Hawaii State Chiropractic Association, HAPTA, the Healthcare Association of Hawaii, and two physical therapy assistants submitted testimony in support of this bill. The ILWU Local 142 commented on the bill. The American Massage Therapy Association, HEMIC, HIC, and Argonaut Insurance Company submitted testimony in opposition to this bill.

As affirmed by the records of votes of the members of your Committees on Labor and Public Employment and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2289 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, Garcia, Goodenow, Herkes, Okamura, Saiki and Thielen.

SCRep. 419-00 Labor and Public Employment and Consumer Protection and Commerce on H.B. No. 3011

The purpose of this bill is to allow insurance business employers to ask an applicant if they have ever been convicted of a felony involving dishonesty or breach of trust or were ever convicted of violating the Violent Crime Control Act of 1994. It also allows an employer to fire an employee after hiring if the employee had committed any of the above offenses.

The Hawaii Chapter of the Society of Human Resource Management, the Hawaii Medical Service Association, the Hawaii Independent Insurance Agents Association, the Hawaii Insurers Council, and the American Council of Life Insurers testified in support of this bill. The Hawaii Civil Rights Commission testified in opposition to this bill.

Your Committees find that currently, federal law requires that anyone who has ever been convicted of a felony involving breach of trust be prohibited from engaging in the insurance business without prior written consent from a regulatory authority in that jurisdiction. Hawaii law prohibits employers from inquiring of applicants about criminal history and limits post offer of employment inquiries to criminal convictions in the past ten years.

Your Committees find that this conflict in the law can be resolved by the passage of this bill. The language used in section 378-3(12), Hawaii Revised Statutes (HRS) in this bill will not conflict with section 378-2.5, HRS, that deals with restrictions on when employers may inquire about criminal history because the former is an exception to the latter.

Your Committees have amended this bill by making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor and Public Employment and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3011, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3011, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees except Representatives Cachola, Chang, Garcia, Herkes, Goodenow, Kaho'ohalahala, Okamura, Saiki and Thielen.

SCRep. 420-00 Economic Development and Business Concerns and Higher Education and Energy and Environmental Protection on H.B. No. 2356

The purpose of this bill, as received by your Committees, is to consolidate the State's technology industries by:

- (1) Repealing the High Technology Development Corporation (HTDC) under chapter 206M, Hawaii Revised Statutes (HRS); the Hawaii Strategic Development Corporation (HSDC) under chapter 211F, HRS; and the Natural Energy Laboratory of Hawaii Authority (NELHA) under chapter 227D, HRS, and establishing these three agencies under a newly-established HTDC within the University of Hawaii for administrative purposes;
- (2) Repealing the Hawaii Telecommunications and Information Industries Act under chapter 206P, HRS; and
- (3) Repealing the Pacific International Center for High Technology Research under subpart L of part II of chapter 304, HRS.

The Governor's Special Advisor of High Technology Development, the Department of Business, Economic Development, and Tourism (DBEDT), and HTDC testified in support of the intent of the measure. The HSDC Board, the Hawaii Venture Capital Association, and two individuals testified in opposition to the measure. Comments were submitted by NELHA, the Office of Information Practices, the University of Hawaii, the Hawaii Technology Trade Association, and an individual.

Your Committees recognize the importance of unifying Hawaii's technology-related agencies and activities under a single agency for greater coordination, efficiency, and cost-effectiveness. It is your Committees' belief that consolidation will increase and enhance greater public-private partnerships in the area of technology.

Upon consideration, your Committees have amended this bill by deleting its substance and inserting new material, the purpose of which is to:

- (1) Repeal HTDC under chapter 206M, HRS, and HSDC under chapter 211F, HRS, and consolidate these two agencies under a newly-established HTDC under DBEDT;
- (2) Establish the Hawaii Venture Capital Special Fund for seed capital and venture capital investment in technology development in Hawaii;
- (3) Create the Hawaii Technology Special Fund for the operations of the newly-established High Technology Development Corporation; and
- (4) Require the Governor to:
 - (A) Select a management team and appoint a representative from the Governor's Office to spearhead the management team to develop transition plans for consolidation so the newly-established HTDC can be operational by July 1, 2001; and
 - (B) Submit a progress report on the transition plans for consolidation to the Legislature prior to the Regular Session of 2001.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Higher Education 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. 2356, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2356, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ahu Isa, Kaho'ohalahala, Kanoho, Okamura, Santiago, Stegmaier, Halford, McDermott and Meyers.

SCRep. 421-00 Economic Development and Business Concerns and Higher Education on H.B. No. 2901

The purpose of this bill is to encourage the continued growth and development of high technology businesses and associate industries relying on these businesses in Hawaii by:

- (1) Giving the Department of Commerce and Consumer Affairs (DCCA) jurisdiction to regulate all digital communications;
- (2) Requiring the Special Advisor for Technology Development to develop a plan to consolidate the functions of the Hawaii Strategic Development Corporation under Chapter 211F, Hawaii Revised Statutes (HRS), the Natural Energy Laboratory of Hawaii Authority under Chapter 227D, HRS, and the High Technology Development Corporation (HTDC) under Chapter 206M, HRS;
- (3) Allowing qualified high technology businesses to sell their unused net operating loss carryover and unused tax credits to any other taxpayer;
- (4) Amending:
 - (a) The income tax exclusion for royalties and other income from high technology businesses;
 - (b) The high-technology business investment tax credit; and
 - (c) The tax credit for increasing research activities;
 established by Act 178, Session Laws of Hawaii 1999;
- (5) Requiring the Board of Trustees of the Employees' Retirement System (ERS) to invest employees' retirement system funds in qualified high technology businesses, subject to minimum and maximum limits;
- (6) Appropriating moneys for education, workforce development, and University of Hawaii (UH) research and training;
- (7) Exempting members of the Governor's Special Advisory Council for Technology Development from the Senate confirmation process and from the need to file a disclosure of financial interest with the State Ethics Commission; and
- (8) Authorizing the Hawaii Tourism Authority to enter into contracts and agreements with regard to the promotion of Hawaii through a coordinated statewide effort, as an Internet and server-friendly place to conduct electronic commerce.

HTDC, UH, and the Hawaii Technology Trade Association testified in support of this measure. The Department of Business, Economic Development, and Tourism testified in support of the intent of this measure. Comments were submitted by the Department of Taxation, DCCA, the Department of Labor and Industrial Relations, the Public Utilities Commission, GTE Hawaiian Telephone, Oceanic Communications, the Hawaii State Teachers Association-Retired, and Employees' Retirement System.

Your Committees have amended this bill by, among other things:

- (1) Deleting provisions giving DCCA jurisdiction to regulate all digital communications;
- (2) Allowing the Board of Trustees of the Employees' Retirement System (ERS) to invest ten percent of ERS funds in high qualified technology businesses, rather than requiring the ERS Board of Trustees to invest ERS funds in qualified high technology businesses, subject to minimum and maximum limits;
- (3) Repealing the provisions allowing qualified high technology businesses to sell their unused tax credits to other taxpayers;
- (4) Consolidating all of the high technology definitions in the Income Tax Law in its definition section, repealing those definitions from the high technology tax credit section, and adding new definitions of "computer data" and "computer program";
- (5) Allowing partnership investors the flexibility of allocating the high technology investment tax credit among partners without regard to their proportionate interests in their partnership investment vehicle;
- (6) Expanding the income tax exclusion from the income of royalties derived from patents and copyrights to include income derived from trade secrets;
- (7) Amending the high technology business investment tax credit and the tax credit for increasing research activities by making the credit refundable to the taxpayer or allowing the credit to be used against the taxpayer's income tax liability in subsequent years until exhausted; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, 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. 2901,

as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2901, H.D. 1, and be referred to the Committees on Labor and Public Employment and Finance.

Signed by all members of the Committees except Representatives Okamura, Santiago, Stegmaier, Leong and Rath.

SCRep. 422-00 Health on H.B. No. 2202

The purpose of this bill is to appropriate \$952,000 for fiscal year 2000-2001 for Hana Community Health Center to continue its current level of operations.

The Office of Hawaiian Affairs, the Hana Community Health Center, the Maui County Council, and a member of the Maui County Council testified in support of this bill. The Department of Health (DOH) testified in support of this bill so long as its passage does not replace or adversely impact priorities as indicated in DOH's Executive Supplemental Budget Request. The United Public Workers testified in opposition to this bill.

Your Committee finds that the Hana Community Health Center is the only health provider in the remote Hana district, the nearest medical facility is Maui Memorial Medical Center located 57 miles away requiring a 2 1/2 hour drive. Funding is needed to enable health services to continue at Hana Community Health Center.

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. 2202 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.

SCRep. 423-00 Health on H.B. No. 2765

The purpose of this bill is to develop expertise to assist children and youth exposed to traumatic violence and abuse by establishing a multidisciplinary center for child and adolescent trauma recovery (Center) at the University of Hawaii (UH).

The Kauai Mokihana Project, the Kapiolani Child Protection Center, the Behavior Therapy Clinic and the Health Psychology Concentration at UH, the Domestic Violence Clearinghouse and Legal Hotline, and several individuals testified in support of this measure. The Departments of Health (DOH) and Education opposed this measure. The Judiciary opposed the provision requiring the Judiciary to enter into a memorandum of agreement to provide funding for support staff and facilities for the Center. The UH John A. Burns School of Medicine submitted comments.

Your Committee finds that this measure, while sound, is duplicative of a DOH multidisciplinary task force established to review assessment, diagnostic, and treatment approaches for youth of all diagnostic categories and provide guidance on treatment approaches that have been studied for their effectiveness. Through the task force, DOH has initiated efforts similar to this measure in addressing the systematic training of professionals in the most promising practices, not only for traumatized youth, but also for all youth in need of mental health services.

For purposes of further discussion, your Committee will be passing this measure out of committee to give the task force an opportunity to develop additional language to strengthen 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. 2765 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Leong.

SCRep. 424-00 Health on H.B. No. 2968

The purpose of this bill is to appropriate \$735,000 for fiscal year 2000-2001 for the Waianae Coast Comprehensive Health Center for emergency services.

The Health Center and the Office of Hawaiian Affairs testified in support of this bill. The Department of Health testified in support of this bill so long as its passage does not replace or adversely impact priorities indicated in their Executive Supplemental Budget Request.

Your Committee finds that the funding will support the only 24-hour emergency medical service on the Waianae Coast. Without the funding the Health Center must consider options such as eliminating overnight emergency, lab and radiology services. The nearest other emergency facility is St. Francis West, located sixteen miles from Waianae.

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. 2968 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.

SCRep. 425-00 Health on H.B. No. 3017

The purpose of this bill is to appropriate \$850,000 for fiscal year 2000-2001 for Molokai General Hospital so that it may continue current levels of service.

The Molokai General Hospital, the Maui County Council, the Hawaii State Primary Care Association, the Queen's Health Systems, Papa Ola Lokahi, Na Pu'uwai Native Hawaiian Health Care System, the Kilohana Elementary School, the Office of Hawaiian Affairs, and a member of the Maui County Council testified in support of this bill.

Your Committee finds that this appropriation will enable the hospital to provide current levels of service to Molokai residents who, as a community, experience the highest morbidity rates for diabetes, cancer, heart disease, kidney disease, and obesity in the state. Molokai General Hospital is the only hospital on the island.

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. 3017 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.

SCRep. 426-00 Health on H.B. No. 1985

The purpose of this bill is to find solutions and compromises to the feral cat overpopulation problem by:

- (1) Creating a task force to oversee the management and control of feral cat colonies in the State; and
- (2) Requiring the Department of Health (DOH) to freeze the adoption of any rules relating to feral animals until the task force completes its discussions and recommendations.

Animal Rights Hawaii, the Hawaii Cat Foundation, Abandoned and Feral Cat Friends, Alley Cat Allies, the Animal CARE Foundation, advoCATS, the Oahu Cat Caretakers Coalition, and numerous individuals testified in support of this measure. DOH and the Hawaiian Humane Society testified in support of the intent of this measure. The Board of Land and Natural Resources, the Hawaii Audubon Society, and an individual opposed this measure.

Feral cat caretakers are addressing the problem of overpopulation of feral cats by conducting a Trap/Neuter/Return (TNR) approach to decrease colony size by natural attrition. To catch the feral cats for TNR, caretakers are laying out food as a trap. However, when cats are overfed, rodents emerge to claim the excess food, posing a public health problem.

DOH testified that while rodents are a public health problem, vector controls are not working. As a solution, DOH recently proposed a rule to make feeding feral cats illegal, and in doing so, overlooked the TNR approach as a viable alternative to the problem of overpopulation of feral cats.

Your Committee finds that interested parties such as the various humane societies and other animal welfare organizations did not have a chance to provide input into the drafting of the proposed rules until the final hearing stage. Your Committee believes that advocates of feral cats need to be part of the solution.

This measure enables the various parties to reach compromises by establishing the task force, but is by all means intended to be refined as this measure is heard in subsequent committees. It is essential that all interested parties be represented on the task force, and that the task force receive input from a wide range of resources.

Your Committee has amended this measure by:

- (1) Changing the membership of the task force to include:
 - (A) Representatives of all interested government agencies and departments;
 - (B) Representatives of animal welfare organizations;
 - (C) Representatives of environmental organizations;
 - (D) Representatives of property owners and managers;
 - (E) Persons with scientific expertise;
 - (F) No fewer than five cat colony managers whose TNR program is in place; and

- (G) Other persons with interest in and expertise on feral cat overpopulation issues;
- (2) Limiting the existence of the task force to two years and requiring an interim and final report;
- (3) Clarifying that each complaint summary must include the geographical location of the problem complained of, and other information necessary to address the problem and work toward a solution;
- (4) Deleting the requirement that DOH freeze the adoption of any rules relating to feral animals until the task force completes its discussions and recommendations; 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. 1985, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1985, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McDermott.

SCRep. 427-00 Health on H.B. No. 1922

The purpose of this bill is to prevent teenage smoking by:

- (1) Prohibiting the possession and use of tobacco products by minors under eighteen years of age; and
- (2) Making the penalty for such possession and use \$500 for the first offense and not less than \$500 nor more than \$2,000 for subsequent offenses.

The Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, the Legislative Information Services of Hawaii, and numerous individuals testified in support of this measure. The Office of Youth Services (OYS) testified in support of the intent of this measure. The American Cancer Society, the Department of Health, the Coalition for a Tobacco Free Hawaii (Coalition), and the Hawaii Nurses' Association opposed this measure.

Your Committee believes that this measure is just one component of a multi-faceted community approach to reduce youth tobacco use, but is concerned about the penalties for possessing or using tobacco products. The American Cancer Society testified that there are no reliable findings that support the contention that penalizing minors will deter them from smoking. The Coalition testified that penalizing minors who possess tobacco products actually protects the tobacco industry by diverting enforcement from the illegal sales by the retailers to the youths themselves. Additionally, OYS testified that criminal consequences can introduce youths to the juvenile justice system, which could inflict greater overall harm.

Your Committee is concerned about the appropriateness of youth possession laws and its penalties, but believes that these issues fall under the purview of the Committee of Judiciary and Hawaiian Affairs.

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. 1922 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, Leong and McDermott.

SCRep. 428-00 Health on H.B. No. 2248

The purpose of this bill is to collect data on fireworks-related injuries by requiring health care facilities to report all incidents of injuries and fatalities caused by fireworks to the Department of Health (DOH) and the police department of the county in which the person was attended or treated.

The Hawaii Nurses' Association and the Legislative Information Services of Hawaii testified in support of this measure. DOH and the Honolulu Police Department (HPD) supported the intent of this measure.

According to HPD, the 2000 New Year's celebration resulted in 2,595 reports of fireworks-related complaints and calls for police service on Oahu. Five serious injuries and one death were reported as fireworks-related. In addition, HPD records show that at least 46 people went to hospitals for treatment of respiratory problems aggravated by the fireworks-generated smoke from the "legal" fireworks as well as "illegal" aerials.

Your Committee finds that anecdotal reports of fireworks-related injuries have been more forthcoming from health care facilities over recent years. Unfortunately, there is no organized method of reporting these injuries. This measure would establish a system for central reporting and tracking fireworks related injuries and fatalities.

Your Committee has amended this measure by:

- (1) Clarifying that reportable injuries must be serious injuries and caused by legal and illegal fireworks;
- (2) Changing the definition of "health care facility" from any program, institution, place, building, or agency to any outpatient clinic, emergency room, or doctor's office; 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. 2248, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2248, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives McDermott.

SCRep. 429-00 Health on H.B. No. 2535

The purpose of this bill is to authorize the Department of Health (DOH) to obtain criminal history record information for prospective employees, service providers, and subcontractors of the DOH who work in close proximity with clients when providing medical, mental health, or substance abuse treatment services.

DOH supported this bill with amendments. The Office of Youth Services and the American Association of Retired Persons Hawaii State Legislative Committee submitted testimony in support of this measure. The Sex Abuse Treatment Center submitted testimony in support of the intent of this measure. The State Attorney General supported this bill, with operational concerns. The Hawaii Psychiatric Medical Association submitted testimony in opposition to this measure.

DOH raised concerns that this measure, as received, does not provide DOH with the authority to obtain criminal history background information from the Federal Bureau of Investigation on current employees who provide direct treatment or care to clients receiving medical, mental health, or substance abuse treatment services. DOH has determined that background checks should be first conducted for all existing and prospective providers and those individuals not employed by DOH continuously on a salaried basis before July 1, 1990, followed by all remaining employees providing non-witnessed direct treatment or care to clients receiving medical, mental health, or substance abuse services.

Upon careful consideration, your Committee has amended this bill to address DOH's concerns. Technical, nonsubstantive amendments were also made for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2535, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2535, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

SCRep. 430-00 Health on H.B. No. 1906

The purpose of this bill, as received by your Committee, is to increase the pool of licensed psychologists in Hawaii by:

- (1) Accepting state-approved schools as satisfying the educational requirements; and
- (2) Changing the post-doctoral experience requirements.

Hale Na'au Pono and an individual testified in support of this measure. The Board of Psychology (Board) opposed this measure. The Department of Health submitted comments.

Current law and rules require that the applicant's course work in a Ph.D. program and the applicant's internship experience be scrutinized and checked for specific content areas. This has been a tedious process not only for the Board, but also for applicants. The Board testified that it supports eliminating the scrutiny and checking of specific course content areas for Ph.D. graduates of regionally accredited institutions which also have had the clinical psychology program accredited by the American Psychology Association (APA). Furthermore, the Board supports eliminating the scrutiny and checking of the internship, if such internship is accredited by the APA.

The Board is very comfortable with endorsing APA accredited programs, considering that APA standards for the doctoral degree and internship are comprehensive, and represent the highest level of training for a psychologist.

After careful consideration, your Committee has amended this measure by deleting its substance and inserting language providing that if the requirements for the Ph.D. program or internship are APA accredited, there will be no internal review or scrutiny. These amendments will allow fast tracking of an application through the process. As there are 178 clinical psychology Ph.D. programs accredited by the APA and 426 internship programs accredited by the APA nationwide, this will have a broad impact.

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. 1906, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1906, 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. 431-00 Health on H.B. No. 2279

The purpose of this bill, as received by your Committee, is to provide a thoughtful, reasoned approach when changing the scope of practice of a health care professional by requiring the Director of Commerce and Consumer Affairs to establish a review panel to analyze legislation seeking to change a profession's scope of practice.

The National Association of Social Workers supported this measure with reservations. The Hawaii Nurses' Association, the Hawaii Chapter of the American Physical Therapy Association, and an individual testified in support of the intent of this measure. The Hawaii Psychiatric Medical Association, the Hawaii Psychological Association, the Hawaii Dental Hygienists' Association, and several individuals opposed this measure. The Departments of Health and Commerce and Consumer Affairs (DCCA), the Hawaii Medical Association, and an individual submitted comments noting several concerns with the bill.

Your Committee finds that over the past several years, various groups of health care professionals have sought to extend the scope of their own practice or limit the scope of practice of other health care professionals. Each time the scope of practice of a health care professional is modified, however, the Legislature often becomes the referee between those groups whose practices potentially overlap, and who have a great deal to win or lose in the final outcome.

While this measure is an innovative approach to addressing scope of practice differences, your Committee finds that it raises questions of feasibility, implementation, staffing, and funding. Additionally, the creation of a review and recommendation process, as written, appears duplicative of functions and responsibilities of other governmental entities.

After much consideration, your Committee has amended this measure by deleting its substance and inserting similar language:

- (1) Preserving the basic intent of the measure; and
- (2) Clarifying the type of legislation that would trigger the DCCA review.

As amended, the purpose of this bill is to establish a Scope of Practice Investigatory Panel in DCCA that analyzes, and presents findings and recommendations on legislation that proposes to expand the scope of practice of a health care professional. It draws the line at legislation where the practitioner does not have current authority to expand the practitioner's scope, and legislation that tweaks the practitioner's already expanded scope of practice.

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. 2279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2279, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Kawakami.

SCRep. 432-00 Health on H.B. No. 2764

The purpose of this bill is to give children additional access to immunizations and tuberculosis (TB) examinations by allowing naturopathic physicians to provide these health care services to students in the Department of Education (DOE).

The Hawaii Society of Naturopathic Physicians and numerous individuals testified in support of this measure. The Department of Health (DOH) and the Hawaii Medical Association opposed this measure. The Hawaii Nurses' Association submitted comments.

Your Committee finds that since 1926, naturopathic physicians have been performing school physical examinations. However, up until a few years ago, DOH started to strictly enforce their rules, of which naturopathic physicians were not defined as a health care professional permitted to give student examinations.

DOH testified that it is not disputing the validity of naturopathy, which is the practice of natural medicine, but believes that naturopathy will not effectively interrupt and prevent the spread of infectious diseases. From a public health standpoint to control communicable disease, naturopathic physicians are not authorized to administer immunizations and TB examinations in conformity with recognized standard medical practices.

After much deliberation, your Committee has amended this measure by:

- (1) Permitting naturopathic physicians to give only physical examinations to DOE students; 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. 2764, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2764, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives McDermott.

SCRep. 433-00 Health and Consumer Protection and Commerce on H.B. No. 2165

The purpose of this bill is to enact licensing laws for professional mental health and rehabilitation counselors.

Child & Family Service, Lynn C. Fox & Associates, the Hawaii Mental Health Counselors Association, and a number of concerned individuals and counselors testified in support of this bill. The Hawaii Counseling Association, the Hawaii Rehabilitation Counseling Association, and an individual testified in support of this bill with proposed amendments. The Department of Commerce and Consumer Affairs (DCCA) commented on this bill and recommended amendments.

Your Committees have adopted the recommendations of the DCCA and has amended this bill by:

- (1) Eliminating reference to vocational rehabilitation counselors so that their certification process can be treated comprehensively in a future bill;
- (2) Replacing the licensure program with a certification program; and
- (3) Eliminating the "grandfathering" clause providing a perpetual exemption from certification for members of the National Board for Certified Counselors.

As affirmed by the records of votes of the members of your Committees on Health and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2165, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2165, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Garcia, Hiraki, Morita, Takumi, Yoshinaga, McDermott, Thielen and Whalen.

SCRep. 434-00 Health and Education on H.B. No. 2521

The purpose of this bill is to replace statutory requirements for strict certification of students' compliance with school health requirements with administrative rules for documentation that will be determined by the Department of Health (DOH). This will allow for more efficient methods of enforcing school health requirements, including the electronic filing of school health reports by physicians.

The DOH and the Hawaii Nurses Association submitted testimony in support of this bill. The Department of Education submitted testimony in support of the intent of this bill. The Hawaii Society of Naturopathic Physicians and two concerned individuals submitted testimony requesting an amendment of this bill to allow the involvement of naturopathic physicians.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2521 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, Kawakami, Lee, Okamura and McDermott.

SCRep. 435-00 Health and Higher Education on H.B. No. 2108

The purpose of this bill is to enhance quality of life interventions for persons with Autism Spectrum Disorders (ASD) by creating the Hawaii Autism Center of Excellence (Center) within the University of Hawaii (UH).

The State Children's Council, the UH School of Medicine, the Autism Society of Hawaii, and numerous individuals testified in support of this measure. The Department of Health supported this measure, insofar as it does not replace priorities described in the Executive Supplemental Budget. The Department of Education (DOE) testified in support of the intent of this measure.

Although individuals with ASD are a relatively small population, your Committees find that these clients require focused support services for effective remediation. In fiscal year 1999, the Child and Adolescent Mental Health Division alone served 391 youths diagnosed with ASD, requiring expenditures of \$5,017,025 in child and adolescent mental health related services. Although the total client base is small in count, these individuals require specialty services, focused educational programming, and professionals with targeted training and expertise.

Your Committees find that there is a demonstrated need for continued research, training, and coordination of services, improved case-findings, basic and complex diagnostic assessment, applied effective intervention work, and secured federal funding, among other endeavors, that might be provided by the proposed Center.

Your Committees have requested a financial plan for the Center and, from DOE, information about its Maui Program explaining how it fits into this measure. Your Committees are interested in determining the fiscal impact of the Center, and will be forwarding this information to the Committee on Finance for further discussion.

Your Committees have amended this measure by:

- (1) Renaming the title of the new section to read "Autism services; training; research";
- (2) Clarifying that the Center endeavor to collaborate nationwide in efforts to identify the most effective therapeutic and educational interventions;
- (3) Clarifying that research be a multidisciplinary effort among educational, and not biomedical, disciplines;
- (4) Clarifying that special education and developmental psychology are not among the various disciplines;
- (5) Requiring the Center to:
 - (A) Provide services, training, and research to a full spectrum of youths with ASD without regard to the level of disability;
 - (B) Collaborate with the State in its efforts to address the needs of individuals with ASD; and
 - (C) Collaborate with individuals with ASD, their families, and communities to address services and support needs;
- (6) Removing the requirement that the Center serve the autism population for the purposes of the measure;
- (7) Appropriating \$500,000 in start-up funding for the Center; and
- (8) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2108, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2108, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Kawakami, Lee, Okamura and McDermott.

SCRep. 436-00 Health and Human Services and Housing on H.B. No. 2808

The purpose of this bill is to make health care and human services more accessible by:

- (1) Appropriating \$5,000,000 out of the Hawaii Tobacco Settlement Special Fund to:
 - (A) Establish health promotion and disease prevention programs at twenty high schools;
 - (B) Implement a portion of the State's Children's Health Insurance Program and QUEST programs at school health rooms; and
 - (C) Establish a portion of the operations of community-based primary care clinics at high school health rooms;
- (2) Appropriating \$500,000 in matching funds to the University of Hawaii (UH) John A. Burns School of Medicine to serve as an Area Health Education Center; and
- (3) Requiring a school-by-school plan for implementation of these collaborative efforts.

The Healthcare Association of Hawaii and several individuals testified in support of this measure. The Hawaii State Primary Care Association testified in support of the intent of this measure. The Department of Education also testified in support of the intent of this measure, but believes that this bill is not necessary at this time. UH opposed only the section of this measure that appropriated funds to UH to serve as an Area Health Education Center. The Departments of Health and Human Services and the Hawaii Nurses' Association opposed this measure.

Your Committees have amended this measure by:

- (1) Reducing the appropriations for purposes of further discussion;

- (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 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. 2808, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2808, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives McDermott.

SCRep. 437-00 Judiciary and Hawaiian Affairs on H.B. No. 1879

The purpose of this bill is to establish a pilot program for the city and county of Honolulu council elections of 2002 providing for matching public funding for candidates who voluntarily abide by specified contribution and expenditure limits.

The Advocates for Consumer Rights, Common Cause Hawaii, the Kokua Council, the League of Women Voters of Hawaii, the League of Women Voters of Honolulu, the Kauai Group of the Hawaii Chapter of the Sierra Club, the Hawaii Elections Project, the Hawaii Green Party, Hawaii Clean Elections, Annette's Adventures, and several members of the public testified in support of the measure. The Campaign Spending Commission (Commission) and the Office of Elections commented on this measure.

Your Committee finds that this measure would allow candidates for public office to run with the support of individual grass roots instead of large business concerns. Your Committee finds that this bill will add to the integrity of the elections system in Hawaii.

Your Committee has amended this bill by:

- (1) Renaming the "Clean Elections Pilot Program" to the "Public Financing Elections Pilot Program";
- (2) Changing "clean elections candidate" to "public financed candidate";
- (3) Changing "special election" to "first special election" and "special runoff election" to "second special election";
- (4) Replacing the term "inkind" with "nonmonetary";
- (5) Deleting language in the purpose clause describing the need for alternative systems of fundraising;
- (6) Changing the beginning date for acceptance of contributions from January 1, 2002 to February 1, 2002;
- (7) Eliminating distinctions between contributions of less than or more than \$25 with respect to information required on receipts;
- (8) Increasing the qualifying contribution amount from five to ten dollars;
- (9) Modifying the description of personal funds that may be used by a candidate for seed money;
- (10) Specifying that the number of candidates certified by the Commission shall not exceed 3 from each district;
- (11) Requiring the Commission to render a decision on certification of the candidate within 10 days instead of the 20 days provided for under current law;
- (12) Removing language that would have given the audit and judicial review to the Commission certification decision;
- (13) Limiting expenditures to 100 percent of the public funds allocated;
- (14) Restricting the candidates' ability to accept contributions for a period of three years after elected;
- (15) Deleting language that required adjustments of the amount of equalizing funds based on voting populations;
- (16) Deleting the debit card system;
- (17) Clarifying that suspension of the partial public funding programs only apply to city council elections; and
- (18) 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. 1879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1879, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 438-00 Education on H.B. No. 2823

The purpose of this bill is to narrow the exemption granted to school buses from the motor carrier law.

Specifically, this bill exempts school buses from the advertising prohibitions and application fee schedules only if the buses are active and federally compliant.

Furthermore, this bill makes permanent the exemption from the motor carrier law for the transport of seed corn to processing facilities established by Act 120, Session Laws of Hawaii 1997.

Your Committee believes that from an education standpoint, conditioning the advertising and fee schedule exemptions for school buses upon active operation and federal compliance will ensure the safety of school children and is reasonable as long as it does not interfere with regular school transportation.

Your Committee defers on the other issues to your Committee on Consumer Protection and Commerce.

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. 2823, H.D. 1, and recommends that it be referred to the Committee on Consumer Protection and Commerce.

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

SCRep. 439-00 Education on H.B. No. 2078

The purpose of this bill is to promote and maintain a safe educational environment for students by strengthening the zero tolerance policy by:

- (1) Including criminal assaults and related offenses; and
- (2) Allowing students to be suspended for up to 92 school days for criminal assault and related offenses that do not involve firearms.

The Hawaii State Teachers Association and a concerned individual submitted testimony in support of this bill. The Department of Education (DOE) submitted testimony in support of the intent of this bill.

Your Committee finds that the bill may complicate disciplinary consequences on school campuses because it makes references to the Hawaii Penal Code. Chapter 19 of the DOE administrative rules provides school administrators with an immediately applicable means of disciplining students who commit an assault.

Upon consideration, your Committee has amended this bill by:

- (1) Including reference to Chapter 19, sections 8-19-6(a) and 8-19-13(a)(1), of the DOE administrative rules, relating to class A offenses; and
- (2) Requiring students to be suspended from school but not for more than 92 days for class A offenses.

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. 2078, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2078, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Okamura.

SCRep. 440-00 Education on H.B. No. 2087

The purpose of this measure is to promote school safety and provide for the rehabilitation of minors who have juvenile court records, by:

- (1) Allowing limited accessibility to juvenile records to:
 - (A) School officials; and
 - (B) Persons involved in the treatment and supervision of minors in the areas of child abuse and law enforcement;

and

- (2) Requiring the Family Court to inform the minor's school district superintendent that the minor has been found to have committed certain felonies or misdemeanors, and allowing the information to be disclosed to teachers or administrators responsible for direct supervision or monitoring of the minor.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, Department of the Prosecuting Attorney City & County of Honolulu, Windward Oahu District Superintendent, the Vice-principals of Kailua High School and Kahuku Intermediate and High School, and Principals of Kailua Intermediate School and Ka'a'awa Elementary School. The Superintendent of Education supported the intent of this bill. The Judiciary and the Office of Youth Services provided comments.

Your Committee finds that the schools are responsible for the large portion, if not the majority of the supervision and guidance that a person receives during the person's minority, and that access to information about a minor's criminal history and of other problems that require judicial intervention is essential if the schools are to adequately perform their responsibilities and provide for a safe learning environment. Your Committee believes that this measure places a proper emphasis on both safety concerns and rehabilitation, and includes appropriate requirements for expungement of the minor's records when school or court jurisdiction over the minor ceases, or the minor reaches the age of 18.

Your Committee finds that the need for access to the information provided under this bill is not limited to the public schools, and has thus amended this measure to provide that access and notice under the bill is also provided to an administrator appointed by each private school that is a member of the Hawaii Association of Independent Schools.

Technical, nonsubstantive amendments have also been made for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2087, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 441-00 Education on H.B. No. 2098

The purpose of this bill is to require private schools to conduct criminal history checks on applicants who seek employment and whose work will necessitate their being close to children.

The Hawaii Association of Independent Schools, Hawaii Catholic Schools, and one individual supported this bill. The Attorney General supported the intent of this bill.

Your Committee finds that private schools should be required to conduct criminal history checks for employees who work in close proximity to children. The safety of all children, whether they attend private or public school, is of the utmost importance.

Your Committee further finds that the problem presented for private schools is that the Federal Bureau of Investigation (FBI) will not release criminal background information to nongovernmental entities. The challenge, therefore, is to provide private schools with an avenue to determine the job fitness of an applicant based on FBI and local criminal history files.

To address this problem, Your Committee has amended this bill by adopting language suggested by the Hawaii Criminal Justice Data Center (HCJDC) that:

- (1) Allows the HCJDC to review FBI criminal history data for private schools;
- (2) Allows the HCJDC to inform private schools when a national background check uncovers a criminal history; and
- (3) Allows the HCJDC to disclose to public schools the state or states in which an applicant has a criminal record so that the school may request a record check directly from that state.

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. 2098, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2098, 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. 442-00 Education on H.B. No. 2077

The purpose of this bill is to appropriate funds to the Department of Education to provide:

- (1) One full-time equivalent vice principal for every four hundred students enrolled at a school; and
- (2) One full-time equivalent school security attendant position for every four hundred students enrolled at a school that qualifies for school security attendants.

Increasing the number of vice principals and security attendants will assist in creating a safer educational environment where students can focus on learning.

The Hawaii State Teachers Association, a high school principal, and a student testified in support of the bill. The Superintendent of Education supported the intent 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. 2077 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 Stegmaier.

SCRep. 443-00 Education on H.B. No. 1783

The purpose of this bill is to appropriate funds to establish a Junior Reserve Officer's Training Corps (JROTC) program at Waiakea High School.

The Department of Education (DOE) supported the intent of this bill, provided it did not replace current Board of Education priorities. The American Friends Service Committee opposed this bill.

Your Committee finds that JROTC programs promote discipline and positive citizenship, and provide structure for students who might otherwise get involved in gangs or criminal activities.

Upon further consideration, your Committee has amended this bill by changing the appropriation amount from \$40,000 to \$50,000 as suggested by the DOE.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1783, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1783, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 444-00 Education on H.B. No. 3019

The purpose of this bill is to authorize the issuance of a bond pursuant to federal law that allows:

- (1) State agencies to take advantage of the federal Taxpayer Relief Act of 1997, as amended, as an interest free loan;
- (2) The Department of Education to reconstruct existing structures at Molokai High and Intermediate School to create two separate schools, Molokai High School and Molokai Middle School;
- (3) Students of both levels, high and middle schools, to benefit from a campus that has distinct facilities for the two grade level groups; and
- (4) Bondholders to enjoy as federal tax credits the amount that the state would otherwise pay as interest to the bondholders.

The Maui District Superintendent, the Molokai Enterprise Community Governance Board, the Molokai Community Service Council, and the Center for Gifted and Talented Native Hawaiian Children testified in support of this bill. A trustee of the Office of Hawaiian Affairs, a council member of the Maui County Council, the Chair of the Maui County Council, and numerous individuals testified in support of this bill. The Department of Education testified in support of the intent of this bill. The Department of Budget and Finance commented on this bill.

Your Committee amended this bill by:

- (1) Including the United States Code citation that governs the issuance of the bond;
- (2) Describing how the Molokai school will be divided into two distinct schools;
- (3) Authorizing the exact dollar amount of the bond of \$4,615,000;
- (4) Appropriating the bond amount under the general obligation bond fund of the State; and
- (5) Including an anti-lapse section.

Your Committee feels that the endeavor of creating two separate school entities from the one combined middle and high school has overwhelming support from the Molokai community. The concerns raised by the Department of Budget and Finance have been addressed by the proposed draft except for the issues of:

- (1) Whether this bond will be a stand-alone general obligation bond; and
- (2) Whether there will be underwriting and legal bond counsel fees and expenses that could be addressed in committee.

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. 3019, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3019, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 445-00 Education and Higher Education on H.B. No. 2027

The purpose of this bill is to give the State additional rights with respect to instructional material for the benefit of handicapped individuals.

Hawaii Assistive Technology Training and Services, the Department of Education, and the University of Hawaii testified in support of this bill. The Disability and Communication Access Board testified in support of the intent of the bill with reservations.

Your Committees find that this bill will enable disabled students to have better access to instructional material.

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. 2027 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Okamura.

SCRep. 446-00 Education and Judiciary and Hawaiian Affairs on H.B. No. 2820

The purpose of this bill is to propose amendments to article VII, section 12, and article X, section 1, of the Constitution of the State of Hawaii to authorize the issuance of special purpose revenue bonds to finance construction and renovation of educational facilities at independent nonprofit elementary and secondary schools, universities, and colleges.

The Hawaii Association of Independent Schools, the President of Chaminade University, and a private high school student testified in support of the bill. The Superintendent of Education testified that the Department of Education did not object to the bill, while the Attorney General submitted written testimony expressing concerns regarding the bill.

As affirmed by the record of votes of the members of your Committees on Education 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. 2820 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, Hiraki, Morihara, Okamura and Yoshinaga.

SCRep. 447-00 Education and Judiciary and Hawaiian Affairs on H.B. No. 2857

The purpose of this bill is to ensure gender equity in high school athletics by:

- (1) Requiring that high schools create equal opportunity for both sexes in all sports offered;
- (2) Requiring that high schools fund sports adequately for both sexes;
- (3) Requiring that high schools afford equal access to all sports-related facilities and equipment to both sexes;
- (4) Creating the Advisory Commission on Gender Equity in Sports to monitor compliance of individual schools with Title IX of the Educational Amendments of 1972, and section 302A-1001, Hawaii Revised Statutes;
- (5) Requiring the Superintendent of Education (Superintendent) to recommend rules to enforce gender equity in high school sports and formulate a strategic plan for implementation of these rules;
- (6) Requiring the Superintendent to submit an annual compliance report to the Legislature and the Advisory Committee on Gender Equity in Sports covering all high schools' compliance with gender equity mandates; and

- (7) Allowing persons aggrieved by a violation under this bill to seek equitable relief from the courts.

The Hawaii State Commission on the Status of Women, the Hawaii Civil Rights Commission, and several individuals testified in support of this bill. The Department of Education supported the intent of this bill.

Your Committees find that significant inequities exist for both sexes participating in high school athletics in Hawaii. There appears to be expenditure disparities and unequal access to resources and facilities. Your Committees recognize that the parties involved are motivated and working to achieve compliance with Title IX. This bill will create an accountability structure that will provide the support necessary to effect the sometimes logistically difficult changes that compliance with Title IX requires.

Your Committees have amended this bill by deleting the section titled "Remedies." This section seems to encourage litigation to solve disputes when there already exist procedures by which persons aggrieved by a violation of Title IX may seek equitable relief.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Hawaiian Affairs that is attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2857 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, Hiraki, Morihara, Okamura and Yoshinaga.

SCRep. 448-00 Education and Public Safety and Military Affairs on H.B. No. 1876

The purpose of this bill is to propose an amendment to the state constitution to add a nonvoting member to the Board of Education who will represent the military.

Specifically, this measure proposes to amend article X, section 2, of the state constitution by including a representative from the Commander in Chief of the United States Pacific Command.

Your Committees find that children of military families comprise a sizable portion of the public school students in the State. Yet the military has no representation on the Board of Education because it has no voting power. Most military personnel and family members in Hawaii are residents of other states.

Your Committees believe that military representation on the board is an effective and appropriate vehicle for the military community to voice their concerns and visions on education.

As affirmed by the record of votes of the members of your Committees on Education and Public Safety and Military Affairs that is attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1876 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees except Representatives Chang, Arakaki, Okamura and Stegmaier.

SCRep. 449-00 Agriculture on H.B. No. 2802

The purpose of this bill is to authorize the issuance of a special purpose revenue bonds to assist the Hawaii Food Resource Center in planning and building a multi-function food processing facility on the island of Oahu.

Your Committee notes that the Hawaii Food Resource Center is proposed to be a multi-function, multi-user facility designed for food processing, including temporary storage, consolidation, distribution, transshipment, product development, retail and wholesale showcasing for local residents as well as tourists, and has the potential to become the "blockbuster" of food processing operations in the United States creating significant employment opportunities in the State.

Hawaii Food Resource Center, the Industry Network Corporation, and the Waialua Farmers Cooperative submitted testimony in support of the measure. The Department of Agriculture testified in support of the intent of 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 is in accord with the intent and purpose of H.B. No. 2802 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara.

SCRep. 450-00 Agriculture on H.B. No. 2803

The purpose of this bill is to facilitate the importation of microorganisms by:

- (1) Deleting the list of prohibited microorganisms;

- (2) Creating a list of select human pathogens that do not require a permit to enter the State;
- (3) Authorizing the Department of Agriculture (Department) to determine the risk level for unlisted microorganism requests; and
- (4) Authorizing the Department to issue an emergency permit for the importation of listed and unlisted microorganisms.

The Hawaii Agriculture Research Center testified in support of this bill. The Department and the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources testified in support of this bill with amendments. The Board of Agriculture testified in support of the intent of this bill.

Your Committee has made the following amendments to the bill:

- (1) Created separate statutory sections for microorganisms, plant, and animals to better reflect the different requirements appropriate for each category;
- (2) Authorized the department to determine in an expeditious manner, upon advice from qualified persons with relevant expertise, whether an unlisted microorganism is allowed for importation or whether the level of risk presented indicates that further review is necessary;
- (3) Authorized the department to establish a list of select human pathogens that do not require a permit to enter the State, but which still require labeling, notification, and inspection at the port of entry and which require the department to notify the Department of Health for entry for the purpose of the latter's possible inspection and monitoring;
- (4) Authorized the department to issue an emergency permit for importation of restricted list and unlisted microorganisms through an expedited review process in the event of an emergency or disaster affecting human and animal health, agriculture, or the environment;
- (5) Authorized the department to require registration for certain microbial products (product containing microorganisms) to facilitate their importation without a permit by businesses and individuals in the State;
- (6) Established a permit revolving fund to facilitate the processing and issuance of import permits, to amend the lists of plants, animals and microorganisms for importation (including the cost of public notices for rulemaking hearings), to permit compliance monitoring activities, and to allow other necessary purposes such as training, educational workshops, materials, and equipment;
- (7) Deleted the requirement for a list of prohibited microorganisms in section 150A-6(c), many of which the department envisions will be re-classified by rule as high level restricted microorganisms, in order to allow their importation for research, through permit, under appropriate safeguard conditions;
- (8) Deleted the requirement for a list of prohibited plants in section 150A-6(e) in order to allow the importation of high risk plants for research, pursuant to permit and appropriate safeguard conditions;
- (9) Extended the time frame within which an interim rule under section 150A-9.5 must be published from ten to twelve days from issuance in order to accommodate the contractor publication's advance notice requirements;
- (10) Deleted part V pertaining to the microorganism certification program in order to make available to all prospective importers of microorganisms, not just those able to afford and achieve certification status, the opportunity for expedited processing of microorganism importation requests where the risk level of the importation does not warrant fuller review and board of agriculture action;
- (11) Designated \$25,000 from the Permit Revolving Fund to be expended by the Department; and
- (12) Made technical, non-substantive amendments for 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. 2803, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2803, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Morihiro and Halford.

SCRep. 451-00 Agriculture and Water and Land Use on H.B. No. 2424

The purpose of this bill is to:

- (1) Establish standards, criteria, and a process for the identification of important agricultural lands to the State; and

- (2) Provide a one-time expedited process by which lands of low agricultural resource value or those already subdivided and developed for nonagricultural uses may be reclassified by the Land Use Commission (LUC) to the rural district.

The Office of Planning, the LUC, and the Hawaii Farm Bureau Federation submitted testimony in support of the bill. The Department of Agriculture testified in support of the bill with the understanding that the reapplication of the Agricultural Lands of Importance to the State of Hawaii (ALISH) standards and criteria will consider existing agricultural activities. The Estate of James Campbell and Hawaii's Thousand Friends testified in opposition to this bill. Comments were submitted by the Land Use Research Foundation of Hawaii.

Your Committees believe that this bill is reflective of the Committees' intent to move toward fulfilling the State's obligation to implement the State's constitutional mandate to protect agricultural lands and promote agricultural development. While your Committees recognize the merits of the one-time expedited reclassification process in creating a more viable rural district and providing greater focus for agriculture and its programs, your Committees have concerns about automatically designating certain agricultural lands to the rural district. Your Committee believes that more discussion is needed on this aspect of the bill.

Your Committees have amended this bill by:

- (1) Repealing the one-time expedited process to the rural land use district, for the reclassification of certain lands in the agricultural district that are not identified as important agricultural lands;
- (2) Deleting the provision classifying as prime agricultural land, only those lands composed predominantly of soil survey map units listed as meeting the requirements for national prime farmland by the United States Department of Agriculture, Natural Resources Conservation Service, Honolulu, Hawaii;
- (3) Requiring that at least one public information meeting for the identification of potential lands and the development of recommendations for designation, be held on each island, rather than in each county;
- (4) Deleting provisions relating to interim procedures and decision making criteria for lands in the agricultural district;
- (5) Making the effective date unspecified to facilitate further discussion on the bill; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 2424, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2424, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Garcia, Ito, Morihara, Takumi, Halford and Meyer.

SCRep. 452-00 Water and Land Use and Judiciary and Hawaiian Affairs on H.B. No. 2768

The purpose of this bill is to provide funds for the development of infrastructure for the Kikala-Keokea homestead area to be administered by the Department of Land and Natural Resources (DLNR) and transfers \$1,750,000 of funds previously authorized by Act 242 for such infrastructure. This bill also transfers the authority as expending agency for this project from the Housing Finance and Development Corporation (currently known as the Housing and Community Development Corporation of Hawaii, or HCDCH) to DLNR.

Testimony was received in support of this bill by the Office of Hawaiian Affairs, and the HCDCH.

DLNR supports this bill in its transfer of authority to the appropriate implementing agency, and as it would not adversely affect current priorities as indicated in the Executive Supplemental Budget.

No testimony was received in opposition to this bill.

Your committee finds that DLNR has been implementing the incremental development of such infrastructure for the HCDCH through an Inter-Agency Agreement, subject to availability of funding.

As affirmed by the records of votes of the members of your Committees on Water and Land Use 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. 2768 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, Lee, Yoshinaga, Pendleton and Whalen.

SCRep. 453-00 Water and Land Use on H.B. No. 2575

The purpose of this bill is to allow for the disposition of water rights by direct negotiation, in addition to public auction. This bill also authorizes the Department of Land and Natural Resources (DLNR) to extend month-to-month water permits for additional one-year periods.

The Department of Land and Natural Resources (DLNR) testified in support of this bill.

Your Committee finds that the State reserves the right to any surface or ground water. Any lease, grant, or deed conveying public lands from the State to a private entity after 1962, expressly reserves the water rights to the State. Therefore, it is illogical to auction off a water lease since the only bidder with the ability to enter onto the lands to access the water is the private landowner.

Public auctions are detrimental to the State's ability to determine the judicious disposition of water, since the auction method awards water rights to the highest bidder without consideration of other factors. This is a concern in light of the continuing shift from large plantations to smaller, diversified agricultural users.

Your Committee further finds that extending month-to-month water permits for additional one-year periods will make the issuance of water permits consistent with the issuance of permits for land and other interests.

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. 2575 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 454-00 Water and Land Use on H.B. No. 2427

The purpose of this bill is to establish a special fund to help support the operation and maintenance of the Statewide Planning and Geographic Information System and to enable the Office of Planning to charge fees for spatial analysis services.

The Department of Agriculture and the Department of Business, Economic Development & Tourism testified in support of this bill.

No testimony in opposition to this bill was received.

Your Committee finds that while there are a number of agencies and organizations that use geographic information system technology on an everyday need, and therefore do not have staff trained to provide such services. For jobs that require a short turn around time, agencies and other organizations often ask the Office of Planning to assist them in carrying out a quick analysis. While many of these entities are willing to pay for such services, the Office of Planning does not have the authority to collect fees. This bill would allow the Office of Planning to be compensated for staff time and other costs associated with carrying out services for other government agencies as well as private interests.

Your Committee has revised this bill by changing the appropriation to \$1 for the purpose of continued discussion.

Your Committee recommends to the Finance to review the funding needed to implement the geographic information systems.

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. 2427, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2427, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 455-00 Water and Land Use on H.B. No. 2578

The purpose of this bill is to authorize the one-time transfer of \$500,000 from the Natural Area Reserve Fund, determined to be in excess of the requirements of the Fund, to the General Fund for fiscal year (FY) 2000-2001.

The Department of Land and Natural Resources (DLNR) testified in support of this bill.

Testimony in opposition to this bill was received by the Hawaii Audubon Society and the Earthjustice Legal Defense Fund.

Your Committee finds that in anticipation of the State experiencing serious fiscal pressures due to annual expenditures exceeding annual revenues, the Administration has been looking into making fundamental and sweeping changes in state government in order to bring expenditures in line with revenues. The Governor has instructed all state departments to partake in a statewide program review to identify and prioritize the objectives for which agencies exist. Part of this exercise has resulted in departments identifying program areas where budget adjustments can be made while still providing basic services.

Your Committee has revised this bill by changing the appropriation to \$1 for the purpose of continued discussion.

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. 2578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2578, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Schatz.
(Representative Thielen voted no.)

SCRep. 456-00 Water and Land Use on H.B. No. 2082

The purpose of this bill is to limit the liability for government landowners of Haiku Stairs by including the stairway under the limitations of liability in Chapter 520 (Landowners' Liability), Hawaii Revised Statutes.

Located in Windward Oahu, Haiku Stairs or "the Stairway to Heaven" is a metal stairway consisting of approximately 3,922 steps that ascends from the base of Haiku Valley to a summit on the Koolau Mountain Range. Due to neglect and vandalism, Haiku Stairs has fallen to disrepair.

This bill provides immunity to a landowner for any injury or death resulting from a person climbing Haiku Stairs for recreational purposes if the landowner provides a warning. According to this bill, any person climbing Haiku Stairs waives the right to pursue claims against government owners, nonprofit groups, or individuals associated with Haiku Stairs for injury that may occur while on the stairway where the activity is not supervised, guided, or managed by representatives of the landowners.

The Department of Land and Natural Resources (DLNR) testified in support of this measure. The Consumer Lawyers of Hawaii opposed passage of this bill.

According to the DLNR, Haiku Stairs has the potential to be one of the most unique and picturesque public recreational features in the State, thereby providing a valuable economic asset to Hawaii's nature tourism sector. At the same time, it also possesses some inherently dangerous attributes that will require preventive safety measures to allow for public use.

Your Committee has amended this bill by replacing the immunity and waiver provisions with language that includes Haiku Stairs and its associated access ways under the protection of Chapter 520.

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. 2082, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2082, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Garcia.

SCRep. 457-00 Tourism and Energy and Environmental Protection on H.B. No. 2245

The purpose of this bill is to exempt the Hawaii Tourism Authority (HTA) from Chapter 343, Hawaii Revised Statutes, the environmental impact statement law (EIS law).

Testimony in support of the bill was submitted by the HTA, Maui Hotel Association, Hawaii Tourism Authority, Land Use Research Foundation of Hawaii, Waikiki Improvement Association, Kauai Economic Development Board, and Grove Farm Company. The Department of Business, Economic Development, and Tourism, the Hawaii Island Economic Development Board, and the Hawaii Hotel Association submitted testimony supporting the intent of the bill. The Hawaii Visitors & Convention Bureau submitted testimony commenting on its understanding of the scope of the EIS law. Testimony in opposition of the bill was submitted by the Office of Hawaiian Affairs, Hawaii's Thousand Friends, the Environmental Center, League of Women Voters of Hawaii, Kohanaiki Ohana, Kupuna Advisory Council, Hawaii Green Party, Ilioulaokalani Coalition, Environmental Defense (formerly the Environmental Defense Fund), Sierra Club, Hawaii Chapter, Sierra Club, Ohua Group Hawaiian Environmental Coalition, Na Leo Pohai, Earth Justice Legal Defense Fund, Hawaii Audubon Society, and concerned citizens.

It is not the intent of your Committees to subject the marketing and planning efforts of the HTA to the EIS laws; however, actions of the HTA that require the approval of other agencies must be scrutinized for any significant impacts on the environment.

Accordingly, your Committees have amended the bill by excepting from the blanket exemption from the EIS law, actions by the HTA that require a discretionary consent of another agency before implementation of the action.

As affirmed by the records of votes of the members of your Committees on Tourism 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. 2245, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2245, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees except Representatives Ito, Kaho'ohalahala and Luke.

SCRep. 458-00 Education and Higher Education and Labor and Public Employment on H.B. No. 2280

The purpose of this bill is to continue the development of the school-to-work system created in the School-to-Work Opportunities Act of 1994, P.L. 103-239.

This bill renames the Hawaii School-to-Work Opportunities Executive Council (Council) and updates its powers by:

- (1) Allowing the Council to enter contracts with another state entity for its administrative functions;
- (2) Allowing the Council to receive federal, state, and private resources;
- (3) Requiring that a representative of the Board of Education and a member of the Board of Regents of the University of Hawaii become Council members; and
- (4) Making other technical changes.

This bill also:

- (1) Transfers the Council from the Department of Education to the University of Hawaii for administrative purposes; and
- (2) Appropriates \$200,000 for the Council to carry out its responsibilities.

The Council sets the general direction and policy of the School-to-Work Program by establishing rules and procedures for its operation and continued development.

The University of Hawaii and Hawaii's School-to-Work testified in support of this measure. The Chamber of Commerce of Hawaii supported the intent of this bill. The Department of Education commented on this measure.

Your Committees have amended this bill by:

- (1) Reducing the appropriation amount to \$1 for the purpose of continued discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education 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. 2280, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2280, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Goodenow, Hiraki, Okamura, Santiago and Rath.

SCRep. 459-00 Energy and Environmental Protection on H.B. No. 1946

The purpose of this bill is to require state and county government agencies to retrofit buildings to save energy through performance contracting or other suitable mechanisms. The bill provides that agencies that retrofit will receive funding for energy expenditures at a level "equal and proportionate" to the funding the agency received before the energy efficiency measures were taken.

Supporting the bill were Councilmember Charmaine Tavares of the Maui County Council; the Hawaii Renewable Energy Alliance; the Sierra Club, Hawaii Chapter; and a private citizen. The Department of Business, Economic Development, and Tourism and Hawaiian Electric Company testified in support of the measure and both offered amendments.

Your Committee finds that the state and county governments must take a leading role in supporting energy conservation. Performance contracting allows agencies to finance and install energy saving improvements by contracting with a private company for a fee that depends upon the future results from the improvements. The contingent payment arrangement transfers the risk of performance from the government agency to the private company, aiding government efforts to achieve energy savings. This measure will decrease the State's dependence on imported fossil fuels and move the State toward energy self-sufficiency.

Your Committee has amended section 1 of the bill by deleting new language on page one, lines 4-10, and replacing it with the following language that incorporates amendments proposed by the Department of Business, Economic Development, and Tourism and Hawaiian Electric Company:

"All agencies shall evaluate and identify for implementation energy efficiency retrofitting through performance contracting. Agencies that perform energy efficiency retrofitting shall continue to receive budget appropriations for energy expenditures at an amount that will not fall below the pre-retrofitting energy budget but will rise in proportion to any increase in the agency's overall budget for the duration of the performance contract or project payment term."

In making this amendment, your Committee:

- (1) Deleted the reference to a "cost-payback period of less than ten years" because the statute limits the term of a performance contract to fifteen years. Generally, the contract term for a project is determined by multiplying the simple payback by 2 or 2.5. A contract under the current statute would be limited to a payback period of 7.5 years of less, fulfilling the intent of the measure.
- (2) Deleted "or other suitable mechanism" as an alternative to performance contracting. Since section 36-41, Hawaii Revised Statutes, relates to "performance contracting", other mechanisms would not be appropriate.
- (3) Changed the comprehensive retrofitting mandate to provide that agencies are required to evaluate and identify for implementation measures that may be selected on the basis of energy and other criteria, such as aesthetics or physical site constraints. This change will encourage agencies to use performance contracting to reduce their energy bills by allowing them to keep a share of the energy savings until the project is paid for.
- (4) Clarified that future budget appropriations for energy expenditures for agencies that retrofit are not to fall below the agency's pre-retrofitting budget.

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. 1946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1946, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho.

SCRep. 460-00 Energy and Environmental Protection on H.B. No. 2538

The purpose of this bill is to address the growing number of used tires in the state by:

- (1) Imposing a \$1 tax on all tires imported into the state;
- (2) Requiring all businesses engaged in the selling, disposing, transporting, recycling, importing, and collecting of tires to keep records;
- (3) Providing the authority to the Department of Health (DOH) to enforce the proper management of tires through the imposing of fines;
- (4) Supporting illegal dumping prevention programs; and
- (5) Promoting re-use opportunities for recovered tires.

The Legislative Information Services of Hawaii testified in support of this bill. The Department of Health testified in support of this bill with recommendations. The Department of Commerce and Consumer Affairs testified without a position on this bill. The Hawaii Automotive Repair and Gasoline Dealers Association testified in opposition to this bill.

Your Committee has learned that there is a serious problem facing proper tire disposal in Hawaii.

Your Committee has amended this bill by:

- (1) Creating a life span of approximately five years for the \$1 per tire tax;
- (2) Removing the tax exception for tires attached to cars;
- (3) Reducing the number of tires sold per year by a business from 200 to 50 to qualify for exemption;
- (4) Creating a liability section for persons engaged in illegal dumping; and
- (5) Adding definitions of "facility", "import", and "importer".

Technical non-substantive amendments were also made for style and clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2538, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2538, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 461-00 Energy and Environmental Protection on H.B. No. 1883

The purpose of this bill is to implement "renewables portfolio standards" to ensure that renewable energy is included in the portfolio of electricity resources serving Hawaii.

In particular, this Act seeks to achieve market penetration for renewable energy in the State by requiring qualified electric utility companies to possess a minimum percentage of renewable energy resources within their overall resource portfolios. In addition, this bill requires the Public Utilities Commission to establish a program to issue renewable credits to renewable energy generators.

Your Committee received testimony in favor of this measure from the Department of Business, Economic Development, and Tourism; Department of Commerce and Consumer Affairs, Division of Consumer Advocacy (Consumer Advocate); County of Kauai Office of Economic Development; two Maui County Councilmembers; the Union of Concerned Scientists; Hawaii Nature Center; Hawaii Island Geothermal Alliance; Kauai Renewable Energy Hui; Sierra Club (Hawaii and Kauai chapters); Puna Geothermal Venture; Gay & Robinson (proposing amendments); Zond Pacific, Inc. (a subsidiary of Enron Wind Development Corp.); Hawaii Renewable Energy Alliance; University of Hawaii Environmental Center; Green Islands Corporation; PowerLight Corporation; and five individuals.

Although each of the following supported the concept of renewable energy, testimony in opposition to the measure was received from the Public Utilities Commission; Kauai Electric; Hawaiian Electric Co., Inc.; and one licensed professional engineer. Informational testimony was received from Goodsill Anderson Quinn & Stifel on behalf of Ogden Energy Group, Inc., operator of the H-POWER facility at Campbell Industrial Park (proposing amendments to the definition of "renewable energy").

Your Committee finds that this bill furthers the intent of the Hawaii State Planning Act, which specifically calls for "[i]ncreased energy self sufficiency where the ratio of indigenous to imported energy use is increased" and declares as state policy to "promote the use of renewable energy resources". (Section 226-18(a)(1) and (c)(1), Hawaii Revised Statutes.)

Your Committee finds that the production of energy from locally-available resources has long been an objective of the State Energy Plan. Your Committee finds that this bill supports this policy objective, and that instituting renewables portfolio standards has been identified as the single most effective means of accomplishing that energy objective.

Upon further consideration, your Committee has amended this bill as follows:

- (1) Amending the definition of "biomass" to mean organic residues or crops that are grown for energy production;
- (2) Amending the definition of "qualified electric utility company" to refer to those companies having sales of more than 350,000, rather than one billion, kilowatt-hours of electricity per year;
- (3) Amending the definition of "renewable energy" to mean energy from wind, solar energy systems, biomass, landfill gas, geothermal resources, ocean thermal energy conversion, hydropower, and organic wastes, including refuse-derived fuel;
- (4) Amending the definition of "renewable energy credit" by specifying that purchased credits must be from renewable energy generators in Hawaii;
- (5) Inserting percentages in the blank spaces in section 3 of the bill regarding the implementation of the renewables portfolio standard. Specifically, qualified electric utility companies must implement a 7.5 per cent standard by January 1, 2002, which is to increase by 0.35 percentage points each year up to a minimum of ten per cent on January 1, 2010, and subsequently up to a minimum of twenty per cent by January 1, 2020;
- (6) Adding a new part II to the bill to provide for "solar renewables portfolio standards" as a component of the Hawaii renewables portfolio standards. Your Committee finds that the unquantified benefits of solar electric energy production can include enhancing facility reliability, security of important telecommunications, financial data and public health and safety functions, and job creation and economic development from potential in-state manufacturing or assembly facilities. Your Committee further finds that development in this area offers great export technology potential should these incentives attract a manufacturing or assembly plant. Specifically, part II of this bill requires the following percentages of gross Hawaii utility peak power production derived from on-grid solar photovoltaic electric energy production: one-quarter of one per cent by 2010; one-half of one per cent by 2015; and one per cent by 2020. These percentages can be counted toward the overall renewables portfolio standard;
- (7) Designating sections 1 and 2 of the bill as part I (Hawaii renewables portfolio standards), and designating the remainder of the bill as part III (implementation and enforcement) and part IV (miscellaneous), as appropriate; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 1883, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1883, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Kanoho.

The purpose of this bill is to require the public utilities commission to direct public utilities that supply electricity to acquire electricity generated from available nonfossil fuel sources in certain situations.

Hawaii's dependence on imported fossil fuel increases every year. This makes the State vulnerable to supply shortages and price increases. Your Committee finds that a reduction in Hawaii's reliance on fossil fuel is in the long term interest of the State. This bill will maximize the consumption of renewable energy to reduce consumption of fossil fuels.

Testimony in support of this bill was received from the Consumer Advocate, Hawaii Renewable Energy Alliance, Wailuku River Hydroelectric Power Company, Puna Geothermal Venture, Ogden Energy Group Inc., Zond Pacific, Inc., Apollo Energy Corporation, and the Sierra Club. Testimony in opposition was received from Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company.

Your Committee has amended this bill by specifying that the electricity be acquired from "available" nonfossil fuel sources, when the use of those fuel sources does not result in a significant increase in rates, or compromise energy reliability. Your Committee has also made technical nonsubstantive changes for the 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. 2922, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2922, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Kanoho.

SCRep. 463-00 Labor and Public Employment and Economic Development and Business Concerns on H.B. No. 2919

The purpose of this bill is to redistribute the cost of health care coverage between an employer and employee by eliminating the requirement that an employee contribute no more than 1.5 percent of the employee's wages for health care coverage.

Testimony in support of this bill was submitted by the Legislative Information Services of Hawaii, the Hawaii Business League, and the National Federation of Independent Business Hawaii. Testimony in opposition was submitted by the Department of Labor and Industrial Relations and the ILWU.

Your Committees find that when the Hawaii Prepaid Health Care Act (Health Care Act) was adopted, the cost of premiums for individual coverage was less than it is today. Therefore, if an employer withheld 1.5 percent of an employee's wages for the employee's half of the health care coverage, the premium costs would be split 50/50 between the employer and the employee. As a result of the increase in premium costs, the withholding of 1.5 percent of an employee's wages does not cover one-half of the premium costs.

Your Committees heard several testifiers raise concerns regarding the possible applicability of the Federal Employee Retirement Income Security Act (ERISA) to this bill. ERISA prohibits states from making substantive amendments to their Health Care Acts. However, Congress granted Hawaii a waiver to this requirement, so long as there are no substantive changes to the Hawaii Health Care Act. Your Committees find that replacing the liability for payment of premiums pursuant to this measure may be considered a substantive change, and may require Congressional approval.

Your Committees have amended this bill by changing the effective date of this bill to sixty days after Congressional approval.

As affirmed by the record of votes of the members of your Committees on Labor and Public Employment 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. 2919, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2919, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chang, Hiraki, Ito, Morihara, Okamura and Saiki.

SCRep. 464-00 Labor and Public Employment and Economic Development and Business Concerns on H.B. No. 2984

The purpose of this bill is to increase the minimum wage by:

- (1) Raising it to \$5.75 per hour beginning January 1, 2001; and
- (2) Providing for incremental increases based on the average consumer price index beginning January 1, 2001.

The Hawaii State AFL-CIO, ILWU Local 142, Hawaii State Teachers Association, Hawaii Nurses Association, and the Affordable Housing and Homeless Alliance supported this bill. The American Friends Service Committee and an Individual supported the intent of this bill. The Department of Labor and Industrial Relations commented on this bill. The Hawaii Restaurant Association, National Federation of Independent Business, Liberty House, Hawaii Business League, Hawaii Chamber of Commerce, and several individuals opposed this bill.

Upon further discussion, your Committees find that raising the minimum wage will create overall economic gains that will outweigh any short-term losses.

However, your Committees also find that linking the minimum wage increases to the consumer price index would not be in the State's best interests. Your Committees further find that increasing the minimum wage in 2001 will place an undue burden upon businesses.

Therefore, your Committees have amended this measure by:

- (1) Increasing the minimum wage to \$5.75 on January 1, 2002;
- (2) Increasing the tip credit by an equal percentage to twenty-two cents on January 1, 2002; and
- (3) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Labor and Public Employment and 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. 2984, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2984, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chang, Hiraki, Ito, Morihara, Okamura and Saiki.

SCRep. 465-00 Water and Land Use on H.B. No. 2576

The purpose of this bill is to establish a Water Resource Management Fund (Fund) in the Department of Land and Natural Resources (DLNR). This bill adds a new section to Part I of Chapter 174C, Hawaii Revised Statutes (HRS). The State Constitution (Article XI, Section 7) and the State Water Code (Chapter 174C, HRS) require the Commission on Water Resource Management (Commission) to set overall water conservation, quality, and use policies, to protect water resources, watersheds, and natural stream environments, to assure water rights, including Hawaiian water rights, to establish criteria for water use priorities, and to comprehensively plan for our water resources to address the problems of supply and conservation of water.

The Fund would allow the Commission to implement monitoring, management, resource protection programs/activities, and enforcement necessary to sustain the State's resources. The Fund would also allow the development and regular updating of the Hawaii Water Plan using state-of-the-art methods such as Integrated Resource Planning.

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. 2576 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 466-00 Water and Land Use on H.B. No. 2836

The purpose of this bill is to broaden the use of the natural area reserve fund by including watershed management projects.

Testimony in support of this bill was received by the Department of Land and Natural Resources (DLNR), the Land Use Research Foundation (LURF) of Hawaii, the Nature Conservancy of Hawaii, and the Board of Water Supply.

No testimony in opposition to this bill was received.

The Tax Foundation of Hawaii offered comments on this bill.

Your Committee finds that since the inception of the natural area partnership and forest stewardship programs, significant efforts have given rise to another innovative public-private undertaking involving the collaboration of major landowners and stakeholders to protect thousands of acres of critical watershed areas.

The legislature further finds that this effort began with the formation of the East Maui Watershed Partnership in 1991, followed by West Maui Watershed Partnership in 1998, and Koolau Watershed Partnership and East Molokai Watershed Partnership in 1999. Collectively, these partnerships involve some 260,000 acres of land and include an array of major landowners and government agencies including the United States Fish & Wildlife Services, National Park Services, DLNR, Department of Hawaiian Home Lands, county boards of water supply, and numerous other agencies.

Increased and sustained funding is urgently needed to allow these innovative partnerships to deliver needed management activities on the ground. Excess funding from the Natural Area Reserve Fund via legislation provisos has already provided

matching State funds to attract County, Federal and private grants to fund such mandatory projects as alien species control, watershed fencing projects, and planning for the establishment of the watershed partnerships.

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. 2836 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 467-00 Water and Land Use on H.B. No. 2641

The purpose of this bill is to limit government landowner liability by amending the definition of "land" to include government owned lands, including unimproved lands.

The County Council of Maui and the County of Hawaii, Office of the Corporation Counsel testified in support of this bill.

The Consumer Lawyers of Hawaii (CLH) testified in opposition to this bill.

Your Committee finds that there is increasing demand from the public for recreational access to government land, including unimproved lands, which also increases the potential for liability associated with recreational activity.

Your Committee has revised this bill by including unimproved lands within the definition of "lands" owned by the government.

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. 2641, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2641, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Garcia.

SCRep. 468-00 Water and Land Use on H.B. No. 2668

The purpose of this bill is to establish a new chapter relating to public land liability immunity. Under this chapter:

- (1) Neither a government nor a government officer or employee would be liable for an injury caused by a natural condition of any unimproved public land, including any natural condition of any lake, stream, bay, river, or public beach; and
- (2) Public beaches would be deemed to be in a natural condition and unimproved, notwithstanding the provision or absence of public services such as lifeguards, police or sheriff patrols, medical services, fire protection services, beach cleanup services, seawalls, revetments, groins, or other shore protection structures or signs.

This bill also repeals Act 190, Session Laws of Hawaii (SLH) 1996, which provided conditional immunity for beach park liability based on a signage implementation procedure.

A member of the Maui County Council testified in support of this bill. The Department of Transportation also supported the intent of this measure but deferred comments to the Department of Land and Natural Resources (DLNR). The DLNR opposed passage of this measure.

Your Committee has amended this bill by retaining the task force on beach and water safety that was established under Act 190, SLH 1996. This task force provides consultation to the Chairperson of the Board of Land and Natural Resources regarding the design and placement of warning signs, devices, or systems at public beach parks.

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. 2668, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2668, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Garcia and Schatz.

SCRep. 469-00 Labor and Public Employment on H.B. No. 2774

The purpose of this bill is recognize and support a mother's right to breastfeed her child in a place of public accommodation.

Testimony in support of this bill was received by the Department of Health, Kapiolani Medical Center for Women & Children, Hawaii State Commission On The Status Of Women, American Academy of Pediatrics - Hawaii Chapter, Hawaii Civil Rights Commission, Mother's Care For Tomorrow's Children, Hawaii Mothers' Milk, Inc., Healthy Mothers Healthy Babies, Kokua

Kalihi Valley Health Center, Kaiser Permanente, American Civil Liberties Union Of Hawaii, and many concerned individuals. Testimony expressing concern was submitted by an individual.

Your Committee finds that the advantages of breastfeeding are indisputable and include nutritional, immunological, psychological, as well as economic benefits for both the infant and the mother. It also promotes maternal and infant bonding, supports brain development, decreases health care costs for infants, and decreases absenteeism for working women.

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. 2774 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 Hiraki, Okamura, Saiki and Takai.

SCRep. 470-00 Labor and Public Employment on H.B. No. 1833

The purpose of this bill is to equalize wage differentials between women and men and minorities and nonminorities for the same work and also for work that is dissimilar but that require equivalent composites of skill, effort, responsibility, and working conditions, by:

- (1) Gathering information from departments with civil service employees regarding job titles, wages, and methods of calculation; and
- (2) Implementing a fair pay project (project) for civil service employees.

The Hawaii Chapter of the National Employment Lawyers Association, the Hawaii Women Lawyers, and individuals testified in support of the bill. The Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women (HSCSW), and the Hawaii Government Employees Association (HGEA) supported the intent of the bill but requested amendments be made.

Based on the recommendations of the HSCSW and HGEA, your Committee has amended the bill by:

- (1) Replacing the Civil Service Commission with the HSCSW as the entity to conduct the study;
- (2) Deleting the requirement for the Hawaii Civil Rights Commission to provide initial consultation and advice;
- (3) Requiring the results of the project to be forwarded to the Hawaii Civil Rights Commission and the appropriate exclusive representatives of the employees involved;
- (4) Adding an appropriation section to fund the project; and
- (5) 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 Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1833, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1833, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Saiki and Rath.

SCRep. 471-00 Labor and Public Employment and Economic Development and Business Concerns on H.B. No. 2564

The purpose of this bill is to extend the sunset date of the Employment and Training Fund (Fund) program to December 15, 2005.

The Hawaii Association for the Education of Young Children, Honsador Lumber Corporation, Hawaii Fashion Industry Association, the Kanoiehua Industrial Area Association Employee Training Center, Shriners Hospital for Children, Hawaii Agriculture Research Center, the Department of Labor and Industrial Relations, and a concerned individual testified in support of this measure. The National Federation of Independent Business and the Hawaii Business League testified in opposition.

Your Committees find that the original intent of the Fund was to help train displaced sugar workers for new careers. Since this group of people it was intended to help was finite, the Fund was limited to a period of five years.

Your Committees further find that contributors to the Fund are not the same as the benefactors of the Fund. This has resulted in a situation where one competitor may end up funding training for another competitor.

Your Committees have amended this bill by:

- (1) Changing the ending date for the employment and training fund program to December 31, 2003;
- (2) Limiting the .05 percent charged for the Fund assessment to taxable year 2000;

- (3) Setting the rate at .034 per cent of taxable wages for taxable year 2001;
- (4) Setting the rate at .016 per cent of taxable wages for taxable year 2002; and
- (5) Cancelling any Fund assessments for taxable year 2003 and all subsequent years.

As affirmed by the records of votes of the members of your Committees on Labor and Public Employment 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. 2564, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2564, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chang, Hiraki, Ito, Morihara, Okamura and Saiki.

SCRep. 472-00 Labor and Public Employment on H.B. No. 1832

The purpose of this bill is to expand the Employment Practices Law by making it an unlawful discriminatory practice for employers to require applicants and current employees, as a condition of employment, to agree to forego rights, protections, or remedies under the Civil Rights Commission Law, or any other right under that law, and the Employment Practices Law.

The Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women, the Hawaii Women's Legislative Coalition, Hawaii Women Lawyers, ILWU Local 142, and the Hawaii Chapter of the National Employment Lawyers Association submitted testimony in support of this measure. Opposing testimony was received from the Chamber of Commerce of Hawaii and the Society of Human Resource Management, Hawaii Chapter.

It is the intent of your Committee that the provisions of this bill shall not be interpreted as allowing employers and employees to enter into agreements to negotiate to limit or diminish the authority of the Hawaii Civil Rights Commission, with regard to voluntary arbitration agreements by the parties.

Upon consideration, your Committee has amended this bill by:

- (1) Allowing employers and employees or prospective employees to enter into knowing, voluntary arbitration agreements that are supported by due consideration over and above employment or continued employment without violating the discriminatory practices laws;
- (2) Changing the effective date to June 1, 2001; and
- (3) Providing that employers have twelve months from the bill's enactment to comply with the statutory change as it affects mandatory arbitration agreements in existence at the time of the bill's enactment.

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. 1832, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1832, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 473-00 Labor and Public Employment and Human Services and Housing on H.B. No. 2154

The purpose of this bill is to transfer the Office of Community Services (OCS) from the Department of Labor and Industrial Relations to the Department of Human Services (DHS).

The Hawaii Community Action Directors Association and Maui Economic Opportunity testified in support of this measure. Pacific Gateway Center, Catholic Charities, Susannah Wesley Community Center, and the Hawaii Food Bank expressed concerns over this measure. OCS submitted comments.

Your Committees find that the issues faced by and functions of OCS would be better dealt with in DHS. Your Committees are concerned about the possible delay of actually making the transfer because of drastic cuts and fiscal constraints.

Your Committees note that the basic intent of this bill is to try to preserve OCS, and not to give any appearance of adverse action against, or any penalty against, the Executive Director or the leadership of the agencies involved. Additionally, it is not your Committees' intention to give the perception of an evaluative statement regarding performance by OCS leadership. On the contrary, it is to continue looking at the fiscal constraints under which this, and other agencies, are operating, and to continue this discussion in the Committee on Finance.

Your Committees have amended this measure by:

- (1) Changing the effective date to July 1, 2010; 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 Labor and Public Employment 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. 2154, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2154, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Lee, Okamura, Saiki, Santiago and McDermott.

SCRep. 474-00 Labor and Public Employment and Consumer Protection and Commerce on H.B. No. 2290

The purpose of this bill is to establish a medical fee advisory council to advise the director of labor and industrial relations in adjusting the medical fee schedule and to increase fees prescribed in the medicare resources based relative value scale to 130 percent.

The Hawaii State Chiropractic Association submitted testimony in support of this bill. The Department of Labor and Industrial Relations, HEMIC, HAPTA submitted testimony generally in support of the bill with various suggested amendments. The Department of Commerce and Consumer Affairs, ILWU Local 142, Argonaut Insurance Company, and the Hawaii Medical Association submitted testimony providing comments on this bill. The Hawaii Insurers Council submitted testimony in opposition to this bill.

Your Committee has amended this bill to incorporate the recommendations of the Department of Labor and Industrial Relations regarding the composition of the medical fee schedule advisory council. The number of Committee members was reduced from thirteen voting members and no more than ten nonvoting members to nine voting members and four nonvoting members.

As affirmed by the records of votes of the members of your Committees on Labor and Public Employment and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2290, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2290, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Chang, Garcia, Goodenow, Herkes, Okamura and Saiki.

SCRep. 475-00 Culture and the Arts on H.B. No. 2959

The purpose of this bill is to assist the production of television programs to ultimately promote Hawaii to the world.

The bill creates the Hawaii television production committee, the Hawaii television production special fund and the Hawaii television production capital improvement special fund. The bill also provides an appropriation and bond issuance for the purposes of the bill.

Your committee finds that film and television productions in Hawaii provide an invaluable source of advertisement and promotion for our State. Over the last four years, Hawaii's film and television industry has experienced double-digit growth. It is a \$100,000,000 per year industry in terms of production expenses and contributes \$15,000,000 per year in State tax revenues. Within the next five to ten years, there is the potential for Hawaii's film and television industry to grow to a \$300,000,000 per year industry, with \$45,000,000 in tax revenues.

If the State wishes to make use of film and television exposure, it is absolutely essential to provide film and television producers with financial incentives and assistance to encourage them to produce their projects here.

The legislature further finds that the most effective way to provide such incentives is to create a special fund and guaranteed loan program that can be selectively administered to provide grants and loans for television and film productions that promote Hawaii. Under the direction of an appointed board, the fund and loan program would be able to provide needed assistance and facilitate the acquisition of production capital for film and television producers, but still ensure and protect the State's interests in the process.

Therefore, your committee has amended the bill by:

- (1) Expanding the scope of the bill to include film and other types of cinematic productions that could serve Hawaii's promotional needs;
- (2) Creating a loan guarantee program and establishing the Hawaii Television and Film Development Board to administer the loan guarantee program and a special fund with adequate safeguards to both assist the television and film industry while protecting and insuring the State's interests;

- (3) Allowing that the State share in any profits made by borrowers of the loan program in terms of royalties, licenses etc; and
- (4) Increasing the film industry tax credit that is currently not competitive with similar tax credits in other states.

Testimony in support of this bill was received from Masini Television and Film Enterprises, Baywatch Hawaii, and numerous members of the public. The Department of Business, Economic Development and Tourism, the City and County of Honolulu Film Office, the Maui County Office of Economic Development, the Hawaii County Department of Research and Development, the Kauai Office of Economic Development, and numerous organizations supporting the entertainment industry supported the intent of the bill and suggested amendments. A number of individuals also provided additional comments.

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. 2959, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2959, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 476-00 Labor and Public Employment on H.B. No. 2286

The purpose of this bill is to make Hawaii's fair employment practices law more consistent with federal law by:

- (1) Eliminating compensatory damages for disparate impact claims where there is no intent to discriminate;
- (2) Limiting the sum of compensatory damages for employment discrimination according to the number of employees;
- (3) Eliminating the automatic award of attorney and witness fees to complainants; and
- (4) Allowing the prevailing party to collect attorney's fees.

The Hawaii Chapter of the Society of Human Resource Management, Hawaiian Electric Company, Maui Electric Company, Limited, Hawaii Electric Light Company, Inc., and the Chamber of Commerce of Hawaii testified in support of the bill. The National Employment Lawyers Association, Hawaii Civil Rights Commission, Hawaii State commission on the Status of Women, ILWU Local 142, and Hawaii Women Lawyers expressed concerns about the bill.

Your Committee has amended the bill by:

- (1) Eliminating compensatory damages for disparate impact cases;
- (2) Deleting the reference to punitive damages;
- (3) Doubling the dollar amount of the award limitations; and
- (4) Deleting the section allowing the prevailing party to collect attorney and expert witness fees.

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. 2286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2286, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

SCRep. 477-00 Labor and Public Employment on H.B. No. 2519

The purpose of this bill is to enable the State to offer a new employee benefit plan by:

- (1) Requiring that all Flexible Spending Accounts (FSAs) participant contributions, interest earned, and forfeited participant balances be held in trust outside the state treasury so that assets of FSAs are not subject to the general creditors of the State; and
- (2) Requiring that the interest earned on the contributions and forfeited participant balances be used to defray monthly participant fees and other administrative costs of the FSA plan as determined by the department or agency charged with the administration of the plan.

The Department of Human Resources Development, the University of Hawaii, Hawaii Government Employees Association, and the United Public Workers testified in support of the bill. The Hawaii State Teachers Association support the intent of this bill. Comprehensive Financial Planning, Inc. offered comments.

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 Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2519, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Saiki and Rath.

SCRep. 478-00 Labor and Public Employment on H.B. No. 2798

The purpose of this bill is to require the Director of Labor and Industrial Relations (Director) to approve attorneys' fees in amounts comparable to attorneys' fees awarded in civil litigation.

The Worker's Compensation Section of the Consumer Lawyers of Hawaii, and ILWU Local 142 submitted testimony in support of this bill. Argonaut Insurance Company, the Hawaii Insurers Council, and the Department of Labor and Industrial Relations (DLIR) expressed concerns about this bill.

The current procedure in place at the DLIR to approve attorneys' fees in worker's compensation cases results in approving fees lower than comparable fees awarded for attorneys in civil litigation cases.

For an injured worker to recover due compensation for his injuries, the worker must have the opportunity to select attorneys who are qualified to competently conduct a worker's compensation case which can be as taxing as other civil litigation cases. An attorney with specialized legal knowledge has a significant effect on the recovery to the injured worker.

The less-than-comparable attorneys' fees discourage attorneys from taking worker's compensation cases. The fees must not only provide for the living expenses of the attorney, but must also cover the attorney's office overhead expenses.

The Department's current attorneys' fees approval procedure lacks the basis for determining an amount that is reasonable in light of the complexity, time expended, and the experience of the attorney in a worker's compensation case.

Your Committee has amended this bill by:

- (1) Providing factors that the Director, appellate board, or court may consider to arrive at amounts comparable to that of attorneys' fees awarded in civil litigation cases; and
- (2) Deleting language mandating that the Director approve comparable attorneys' fees as unnecessary.

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. 2798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2798, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

SCRep. 479-00 Labor and Public Employment on H.B. No. 2123

The purpose of this bill, as received by your Committee, is to strengthen Hawaii's wage and hour law to protect employees who receive or may receive tips or gratuities from having these amounts withheld or credited to their employers.

The Hotel Employees and Restaurant Employees, Local 5, and several individuals testified in support of this bill. Hilton Hawaiian Village, the Council of Hawaii Hotels, the Society of Human Resource Management-Hawaii Chapter, the Hawaii Hotel Association, and the Chamber of Commerce of Hawaii testified in opposition to this bill.

The Department of Labor and Industrial Relations (DLIR) expressed concerns that the bill, as drafted, would delete the tip credit in its entirety thereby disallowing employers from taking any offset from the employees' wages. DLIR testified that since the current rules concerning tips and gratuities are in line with federal regulations, changing the definitions would cause a lot of confusion for both employers and employees.

The ILWU Local 142 supported the elimination of the tip credit but also commented that changing the definition of tips would cause much confusion and suggested amendments to the bill.

Based on the concerns raised and after much discussion, your Committee concluded that the problem lies with consumers who may not leave tips for the service employees, mistakenly thinking that the service charges they paid were tips so they did not leave additional tips for the service employees.

Therefore, your Committee has amended the bill by deleting its contents and inserting a new section regarding unfair and deceptive business practices. This new section requires that any hotel or restaurant applying a service charge to distribute it to the employees or clearly state that the service charge is being used to pay for costs or expenses other than wages for employees.

Your Committee respectfully requests that the Committee on Finance may want to explore whether this language can be expanded to apply to other service industries such as golf caddies or porters.

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. 2123, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2123, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 480-00 Labor and Public Employment on H.B. No. 2171

The purpose of this bill is to ensure that employees who work more than five consecutive hours are provided with a half-hour rest or meal period or its equivalent in overtime pay.

Hawaii Mother's Milk, Inc., Healthy Mothers Healthy Babies Coalition of Hawaii, Mothers Care for Tomorrow's Children, the Hawaii State AFL-CIO, and concerned individuals testified in support of this bill. ILWU Local 142 supported the concept of the bill but suggested amendments. The Department of Labor and Industrial Relations supported the intent of the bill but had concerns about its coverage and remedies. The Chamber of Commerce of Hawaii, the Hawaii Business League, the Hawaii Hotel Association, the Hawaii Chapter of the Society of Human Resource Development, and Shriners Hospital for Children testified in opposition to this bill.

Your Committee notes that last year, the Legislature enacted a law that allowed mothers to breast feed their infants during their breaks. However, current law does not require employee breaks. This bill corrects that situation and provides breaks, with some exceptions, to all employees.

Your Committee recognizes that a vast majority of employers do provide breaks for their employees.

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

- (1) Increasing the minimum hours of work from five to six hours before requiring a break;
- (2) Giving the option of a thirty consecutive minutes break or two breaks of fifteen consecutive minutes each;
- (3) Allowing an exception where collective bargaining agreements or company policy provides express provisions for breaks;
- (4) Deleting the employee's choice between taking a break or taking overtime pay for work done during the break;
- (5) Exempting employees who provide health, transportation, or public safety services from the break requirements; and
- (6) 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 Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2171, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 481-00 Labor and Public Employment on H.B. No. 2556

The purpose of this bill is to allow the Department of Labor and Industrial Relations (DLIR) to set inspection frequencies based on public safety needs as opposed to fixed inspection intervals.

The DLIR submitted testimony in support of this measure.

The present law requires that effective July 1, 2000, inspection of regulated equipment, including boilers, pressure systems, amusement rides, and elevators, at an interval that does not exceed seven months nor less than five months. The bill amends the present law by deleting the inspection requirement aforesaid.

Safety reasons dictate that regulated equipment be inspected periodically. There is no conclusive evidence that inspections at seven-month intervals will jeopardize safety considerations.

Upon careful consideration, your Committee has amended the bill by requiring effective July 1, 2000, safety inspection intervals that do not exceed seven months, which will give the DLIR greater flexibility in allocating its inspection resources.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2556, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Saiki and Rath.

SCRep. 482-00 Labor and Public Employment and Consumer Protection and Commerce on H.B. No. 2134

The purpose of this bill is to change the current medical fee schedule for workers' compensation from 110 per cent of the Medicare system to an amount calculated according to the annual federal workers' compensation medical fee schedule for Hawaii.

The Anesthesia Medical Group, Hawaii Association of Osteopathic Physicians and Surgeons, Hawaii Medical Association and several individuals supported this bill. The Hawaii Chapter of the American Physical Therapy Association and the Hawaii State Chiropractic Association supports the intent of this bill. The Department of Labor and Industrial Relations, Department of Human Resources of the City and County of Honolulu, First Insurance Company, Argonaut Insurance Company, Hawaii Insurers Council, and one individual expressed concerns regarding this bill. The Department of Commerce and Consumer Affairs and one individual commented on this bill.

Your Committees have amended this bill by:

- (1) Deleting all references to the federal workers' compensation medical fee schedule for Hawaii;
- (2) Changing the upper limit of the fees to "one hundred per cent" of the fees prescribed by Medicare; and
- (3) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Labor and Public Employment and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2134, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2134, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Chang, Garcia, Goodenow, Herkes, Okamura and Saiki.

SCRep. 483-00 Labor and Public Employment on H.B. No. 2562

The purpose of this measure is to:

- (1) Make consistent all statutes pertaining to the frequency of safety inspection; and
- (2) Ensure that only fire department personnel from within a given county may enter a private dwelling in that county.

Section 132-6, Hawaii Revised Statutes, was amended to change the frequency requirements of fire department safety inspections. This measure assures that section 132-5 is in accord with the new requirements. Furthermore, the phrase "any member of any fire department" in section 132-5 was troublesome because it implied that fire department personnel had the right to enter private dwellings that were out of their jurisdiction. This problem has been rectified by substituting the phrase "the chief's designees" for "any member of any fire department."

The Chair of the State Fire Council and the Chief of the Maui County Fire Department testified 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. 2562 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 484-00 Labor and Public Employment on H.B. No. 2563

The purpose of this bill is to allow the State Fire Council to coordinate statewide training, data collection, and contingency planning needs for firefighters.

The Fire Chief of the Honolulu Fire Department, who is also the Chairman of the State Fire council, and the Fire Chief of the County of Maui 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. 2563 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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